

5-1055 CLOSE



GOVERNMENT INFORMATION CENTER
SAN FRANCISCO PUBLIC LIBRARY
CIVIC CENTER
SAN FRANCISCO, CALIFORNIA 94102

SAN FRANCISCO
PUBLIC LIBRARY

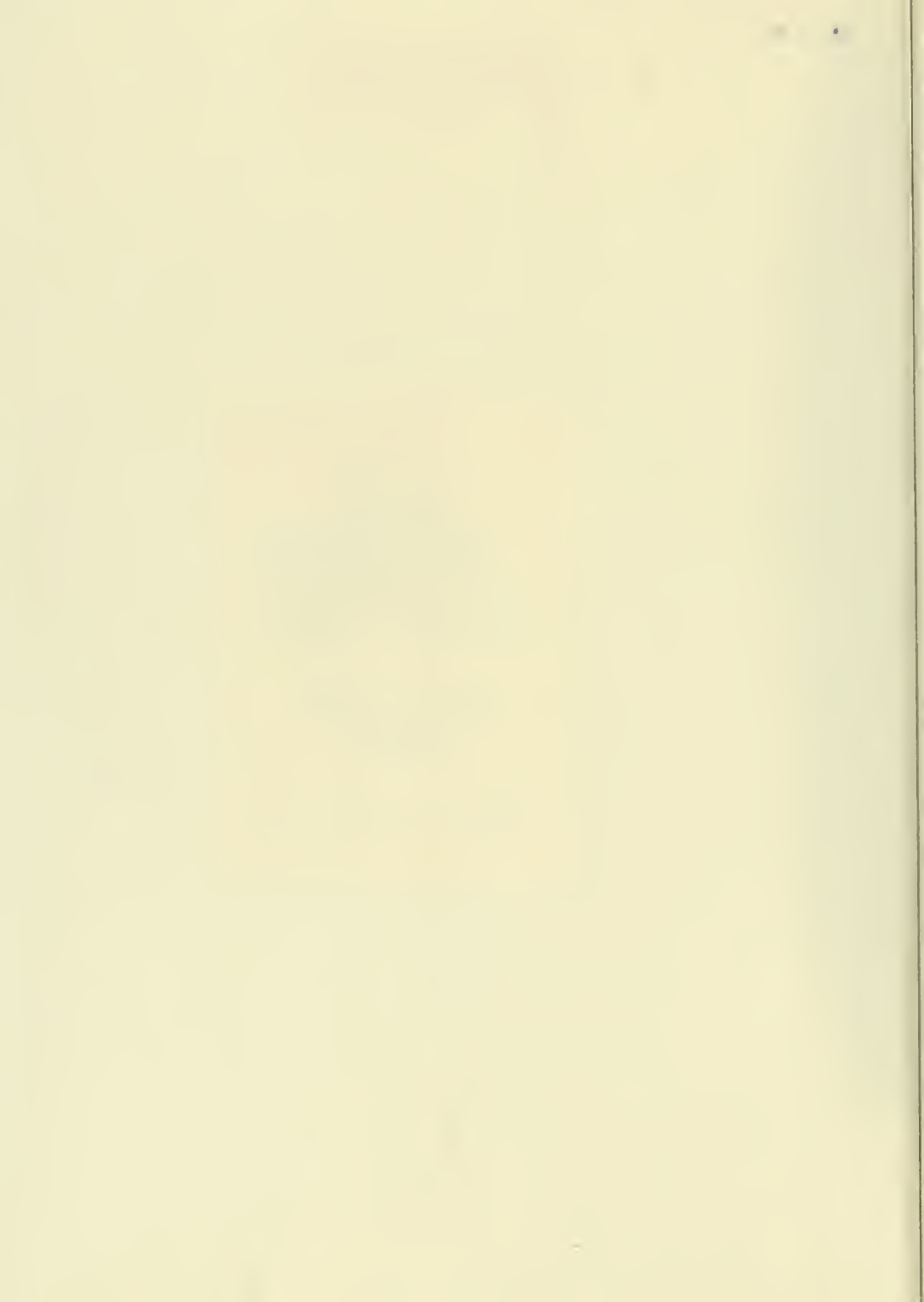
REFERENCE
BOOK

Not to be taken from the Library

SAN FRANCISCO PUBLIC LIBRARY



3 1223 04591 0198



SAN FRANCISCO
BOARD OF SUPERVISORS

GOVERNMENTAL OPERATIONS COMMITTEE

This Committee issued a "Calendar" for each meeting, which constituted the Agenda for the meeting. The Calendar had a blank line at the end of each agenda item for "Action".

The decisions taken at the meeting on each Calendar item were entered on the "Action" lines of the Calendar. The Calendar was then referred to as the "Action Calendar" or "Marked Calendar", and constituted the Minutes for the meeting.

Note that the Agendas and the Minutes are both captioned "Calendar". They differ in that the Minutes describe the action taken on each Calendar item.

This volume includes the available Minutes of this Committee's meetings. The Agenda is included only if the Minutes are missing.

Beginning in May 1989, the Budget Analyst prepared memoranda for many of this Committee's meetings. The memo for each meeting is inserted in this volume *in front of* the Minutes for that meeting. If the Minutes of a meeting are missing, the Budget Analyst memo is inserted *following* the Agenda for that meeting.

CITY AND COUNTY



OF SAN FRANCISCO

*Public Library
Documents Dept ATTN:
Gerry
Roth*

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

OCT 2 1989


BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

September 28, 1989

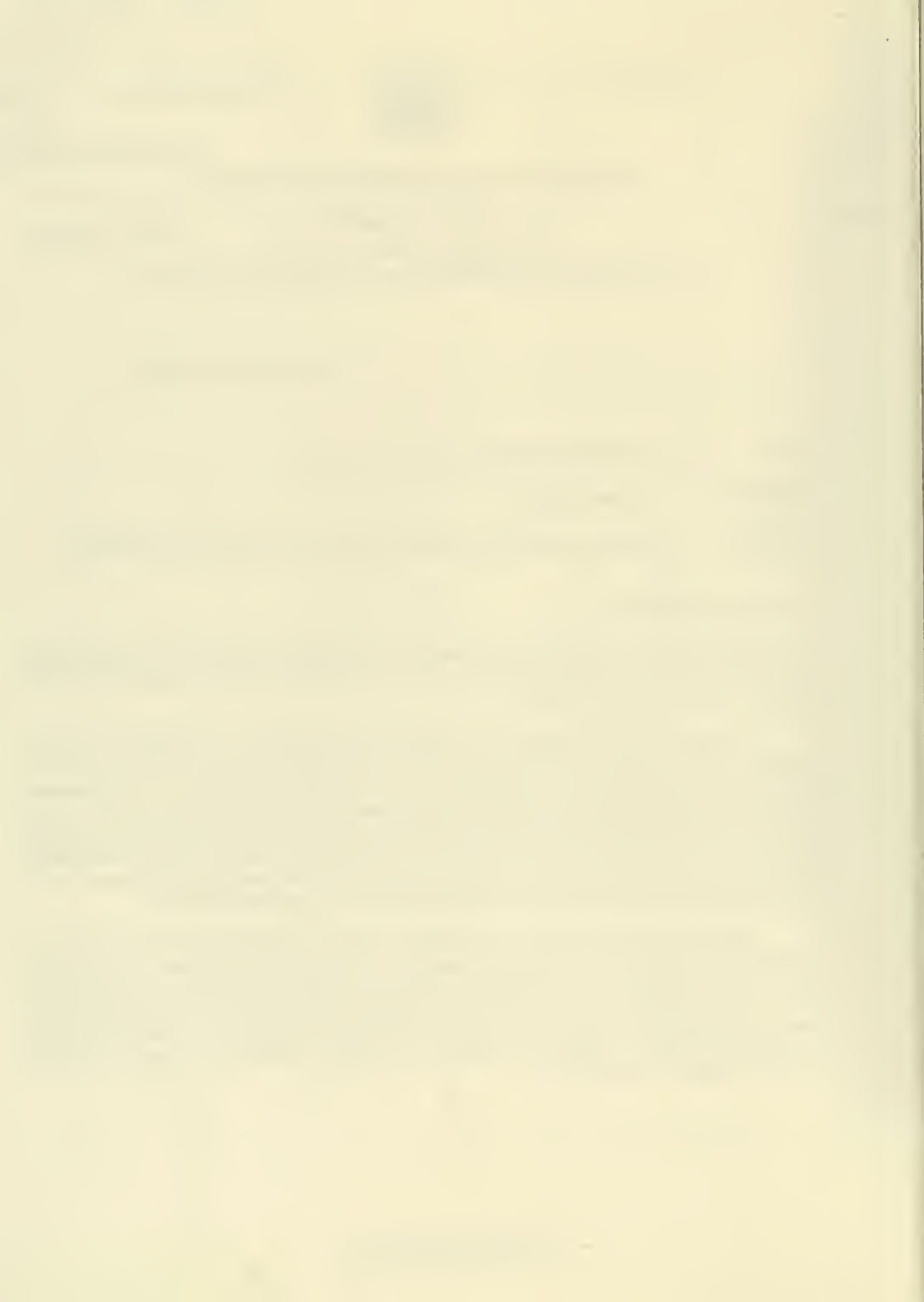
TO:  Governmental Operations Committee
FROM: Budget Analyst
SUBJECT: October 2, 1989 Governmental Operations Committee Meeting

Item 1 - File 93-89-18

This item is a hearing to consider the Memoranda of Understanding (MOUs) between the City and the San Francisco Giants, and between the City and Spectacor Management Group.

On July 27, 1989, the Mayor signed separate MOUs with the San Francisco Giants and Spectacor Management Group regarding the implementation, financing and operation for a proposed new "downtown" Ballpark. The proposed ballpark is currently planned to be a 45,000 seat facility located on a 12.5 acre site bounded by King Street on the north, Second Street on the east, Third Street on the west and China Basin on the south. The MOU with Spectacor also addresses, although in more general terms, a proposed Arena, currently planned to be developed by Spectacor and located at Seventh and Townsend Streets.

As noted in these MOUs, the Mayor is not authorized to bind the City to these MOUs. Rather, the Mayor by signing these MOUs, has represented that he will use his Office to secure the necessary approvals in order to perform the obligations identified in these MOUs. It should also be noted that a separate MOU has been signed between the San Francisco Giants and the Spectacor Management Group. However, neither the Giants nor Spectacor have made their MOU available to the public.




The specific obligations of the MOU between the City and County of San Francisco and Spectacor Management Group are as follows:

City and County of San Francisco

1. Acquire Site and prepare into a Developable Condition, which includes:
 - (i) Title search
 - (ii) Legal descriptions
 - (iii) Topographic Surveys
 - (iv) Property Acquisition
 - (v) Demolition of Existing Structures
 - (vi) Relocate Occupants
 - (vii) Toxics - Investigation & Clean-up
 - (viii) Site Clearance and Grading
 - (ix) Relocate Utilities and Install to Curb
 - (x) Relocate and Construct Roadways
 - (xi) Zoning and Land Use Approval
2. Pay for increased costs due to City's requested changes in design and construction.
3. Pay 1/2 of additional \$20 million cost over \$95.88 million projection
4. Loan Spectacor - \$10 million (\$1 million/yr. for 10 years @ 7.5% interest due only if lease extended after 40 yrs.)
5. Pay Spectacor \$20 (\$2 million/yr for 10 years
6. Assist Spectacor to obtain/issue \$50 million revenue bonds
7. Lease Ballpark to Spectacor for 40 yrs.

Spectacor

1. Design, develop and construct Ballpark (estimated cost of \$95.88 million)
2. Pay 1/2 of additional \$20 million cost over \$95.88 million projection
3. Pay all costs over \$115.88 million (\$95.88 million plus \$20 million)
4. Repay City \$10 million @ 7.5% interest if Ballpark operating permit is extended 26 years after initial 40 yr. lease
5. Pay City 20% of "net cash flow" of Ballpark
6. Pay all expenses associated with cost of \$50 million bond issue
7. Exclusive right to develop Ballpark at site until December 31, 1995 or 3 years after Giants departure from Candlestick Park



Digitized by the Internet Archive
in 2013 with funding from
California State Library Califa/LSTA Grant

<http://archive.org/details/5minutes1989sanf>

City and County of San Francisco

8. Provide Security outside Ballpark
9. Exempt and reimburse property/possessory interest taxes
10. Exempt Ballpark from admissions or ticket taxes
11. Avoid competition in pricing or scheduling events at Candlestick with the Ballpark
12. Will not support development of any project similar to Ballpark during term of lease
13. Expedite and minimize cost of applications, approvals, and environmental assessments
14. Lease Arena to Spectacor for 40 years
15. Exempt Arena from admissions or ticket taxes
16. Provide Security outside Arena
17. Will not support development of any project similar to Arena during term of lease

Spectacor

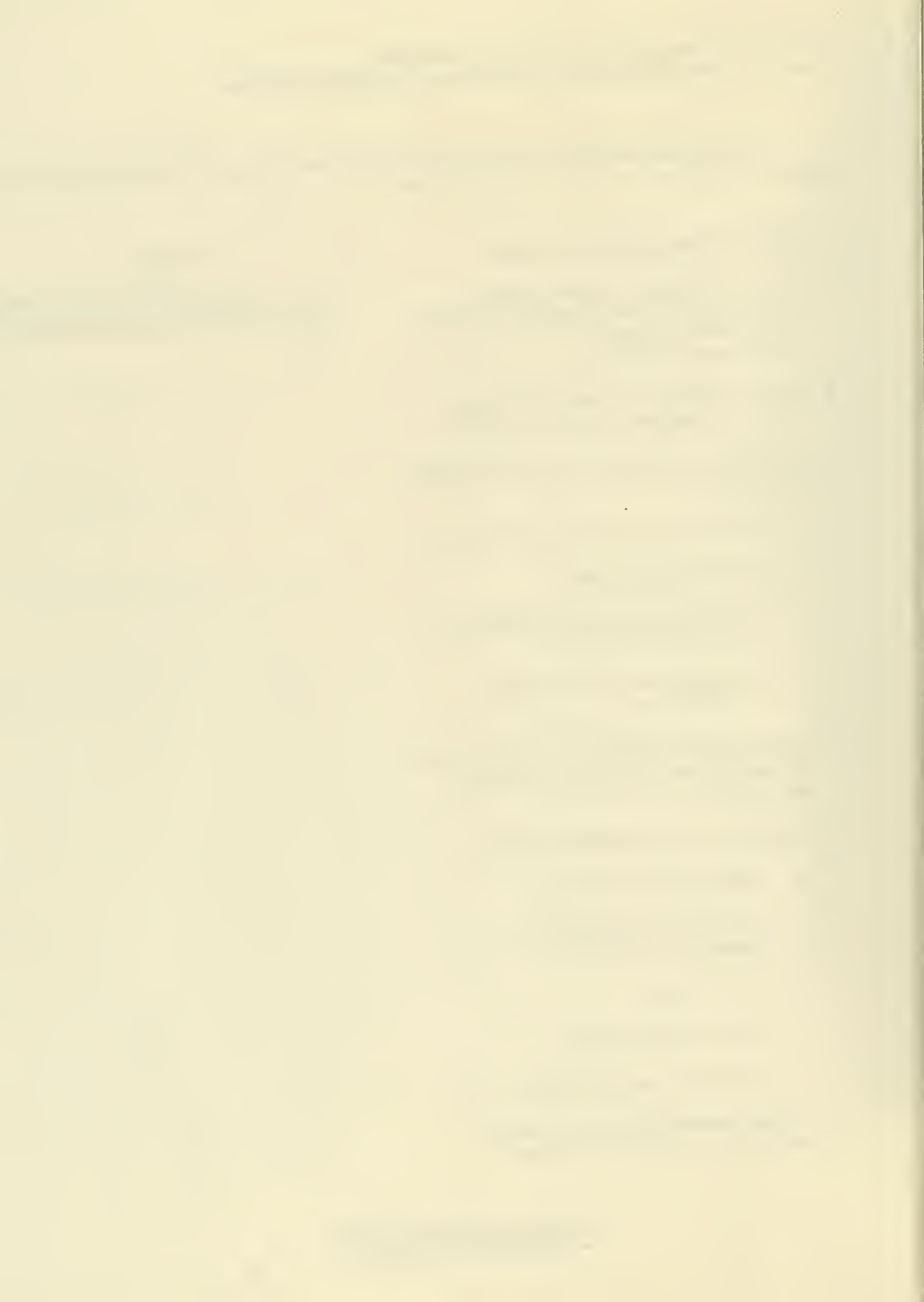
8. Pay for uniformed police inside Ballpark @ 172% of straight-time hourly rate
9. Pay normal and usual taxes
10. Enter into sublease with Giants
11. Carry insurance coverage on Ballpark
12. Unrestricted right to sell and display advertisements on Ballpark
13. Pricing of all Ballpark events and related activities (i.e., rents, concessions, admissions, etc.)
14. Selection of all contractors to construct and operate Ballpark and Arena at sole discretion of Spectacor
15. Develop and construct Arena
16. Pay City \$1-/yr for rent of Arena
17. Pay 10% of net cash flow of Arena (in yrs. 15-40)
18. Carry insurance on Arena
19. Unrestricted right to sell and display advertisements on Arena
20. Pricing of all Ballpark events and related activities (i.e. rents, concessions, admissions, etc.)
21. Exclusive right to develop area for five years from date City provides Arena site, or if alternative site, until December 31, 2003

The specific obligations of the MOU between the City and County of San Francisco and the San Francisco Giants are as follows:

City and County of San Francisco

Giants

- | | |
|---|--|
| <ol style="list-style-type: none">1. Pay any difference between police costs paid by Giants (straight-time plus administrative costs) and true costs of police inside Ballpark2. Lease Ballpark to Giants if Spectacor does not maintain lease for 40 years3. Develop and construct 1,500 car parking structure<ol style="list-style-type: none">(i) 200 spaces provided free to Giants(ii) 800 additional spaces<ol style="list-style-type: none">(a) For luxury boxes (charge to be determined later)(b) Remainder free for media, VIP's, etc.4. Provide 13,500 additional parking spaces for night games and 7,000 spaces for day games5. Traffic and Transit Improvements<ol style="list-style-type: none">(i) Embarcadero Parkway(ii) MUNI/Metro Turnback, Extension and Station(iii) MUNI F line(iv) Traffic improvements(v) Pedestrian improvements6. Prepare operations plan for traffic and traffic control near Ballpark | <p>Pay for off-duty San Francisco Police @ straight time plus administrative costs</p> |
|---|--|



City and County of San Francisco

Giants

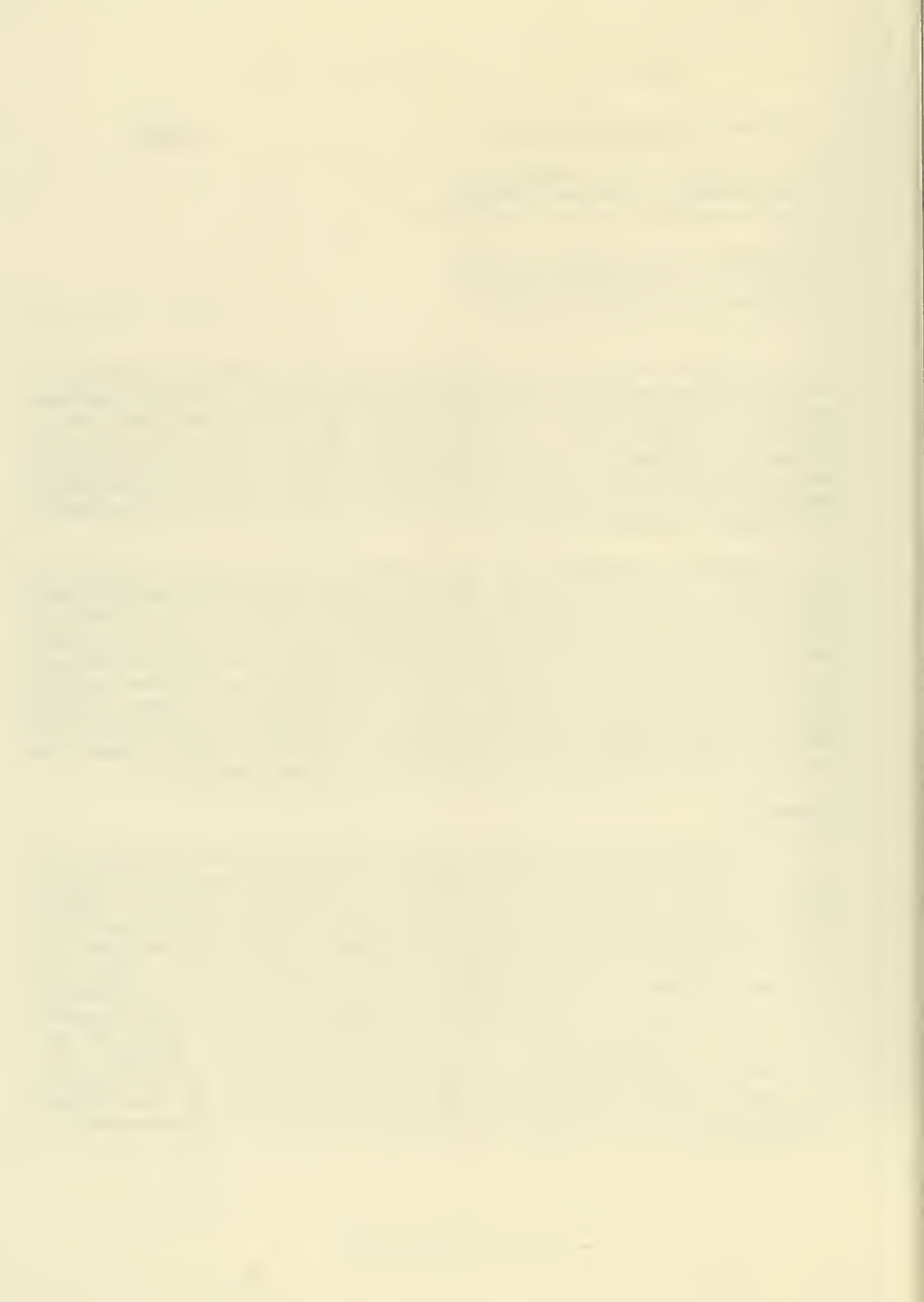
7. Study impact of new neighboring construction on wind and sunlight, and on parking - mitigate any impacts
8. Provide defense for Giants, at their request, in any challenge or action involving the proposed Ballpark

Under the provisions of the MOU between the City and Spectacor, Spectacor is excused from performance of the terms of the MOU if any of the various milestone events set forth in the MOU between the City and the Giants are not satisfied by specified dates. Correspondingly, the City at its option, may be excused from performance if Spectacor does not perform eight separate milestone events by stated deadlines beginning October 1, 1989, by providing an artist's rendering of the Ballpark and ending with the commencement of the ballpark's construction on January 31, 1993.

Under the provisions of the MOU between the City and the Giants, the Giants may be excused from the MOU (1) if the City under the California Environmental Quality Act, requires modifications or alternatives to the proposed Ballpark which are unacceptable to the Giants; (2) if the City fails to take necessary actions or obtain necessary approvals required to complete the Ballpark project; or (3) if the City fails to adopt an ordinance amending the Giants' existing Candlestick Park lease by October 3, 1989. Amendment of the Giants existing Candlestick Park lease is currently pending before the Board of Supervisors (File 65-89-5). The specific milestones contained in the MOU with the Giants are included in the Budget Analyst's report on that item (See Attachment 1).

Comment

The Budget Analyst has been requested by the Board of Supervisors to prepare a report on the downtown ballpark and arena proposals, including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County. To prepare this report, the Budget Analyst has contacted various sources within the City to obtain the necessary information. Specifically, on August 28, 1989, the Budget Analyst submitted a letter to the Mayor's Office (See Attachment 2), requesting specific data related to the Mayor's documents summarizing the proposal and the two Memoranda of Understanding. The Budget Analyst has received some information in response to inquiries, but is still awaiting the detailed financial projections from the Mayor's Office on the proposed Ballpark. The Budget Analyst's report will be completed and submitted to the Board of Supervisors on October 6, 1989.



CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

September 18, 1989

TO: Finance Committee
FROM: Budget Analyst
SUBJECT: September 20, 1989 Finance Committee Meeting

Item 1 - File 65-89-5

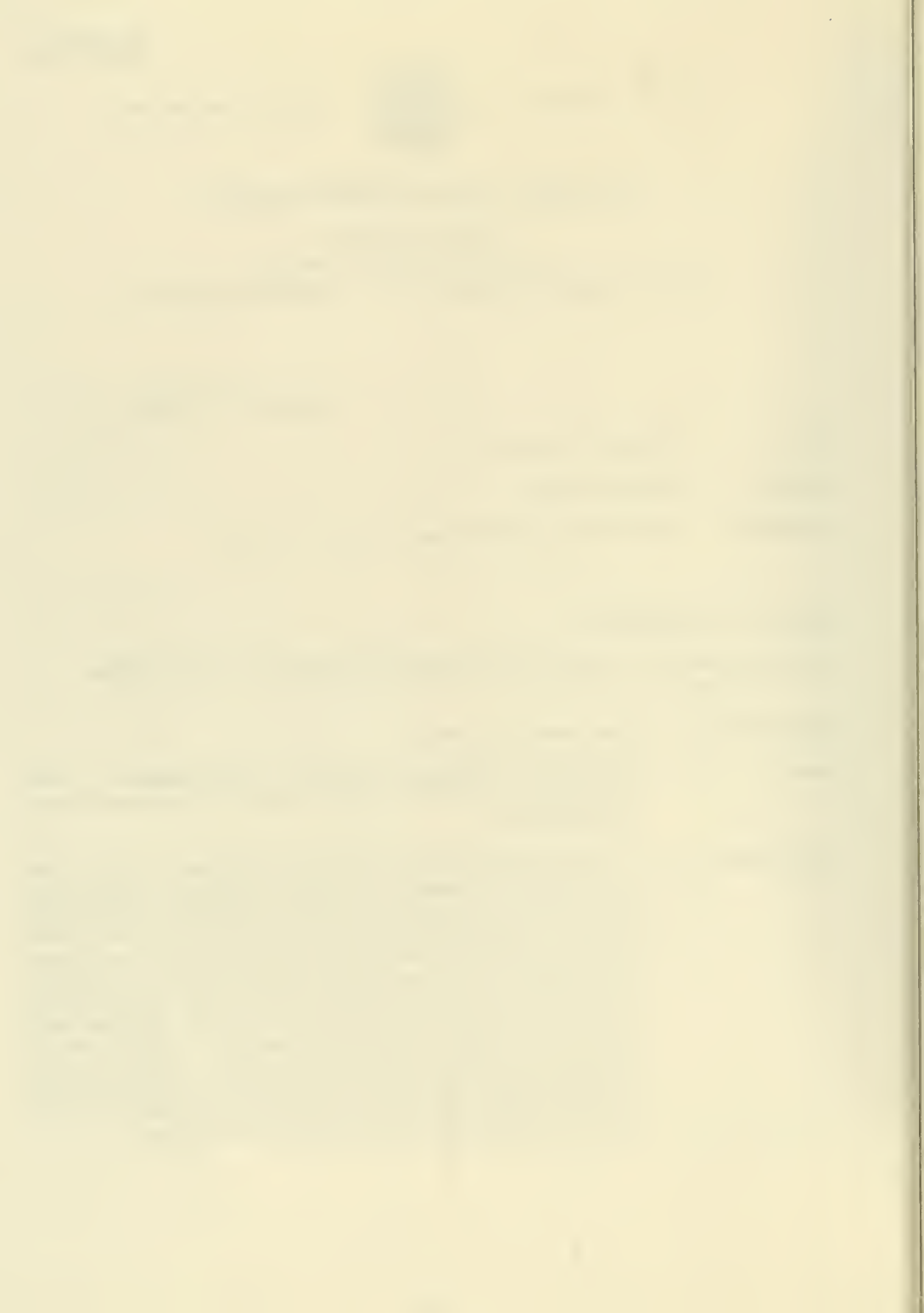
Note: This item was continued at the September 6, 1989 Finance Committee meeting.

Department: Recreation and Park

Item: Proposed ordinance approving amendment of the Candlestick Park lease between the San Francisco Giants and the City.

Description:

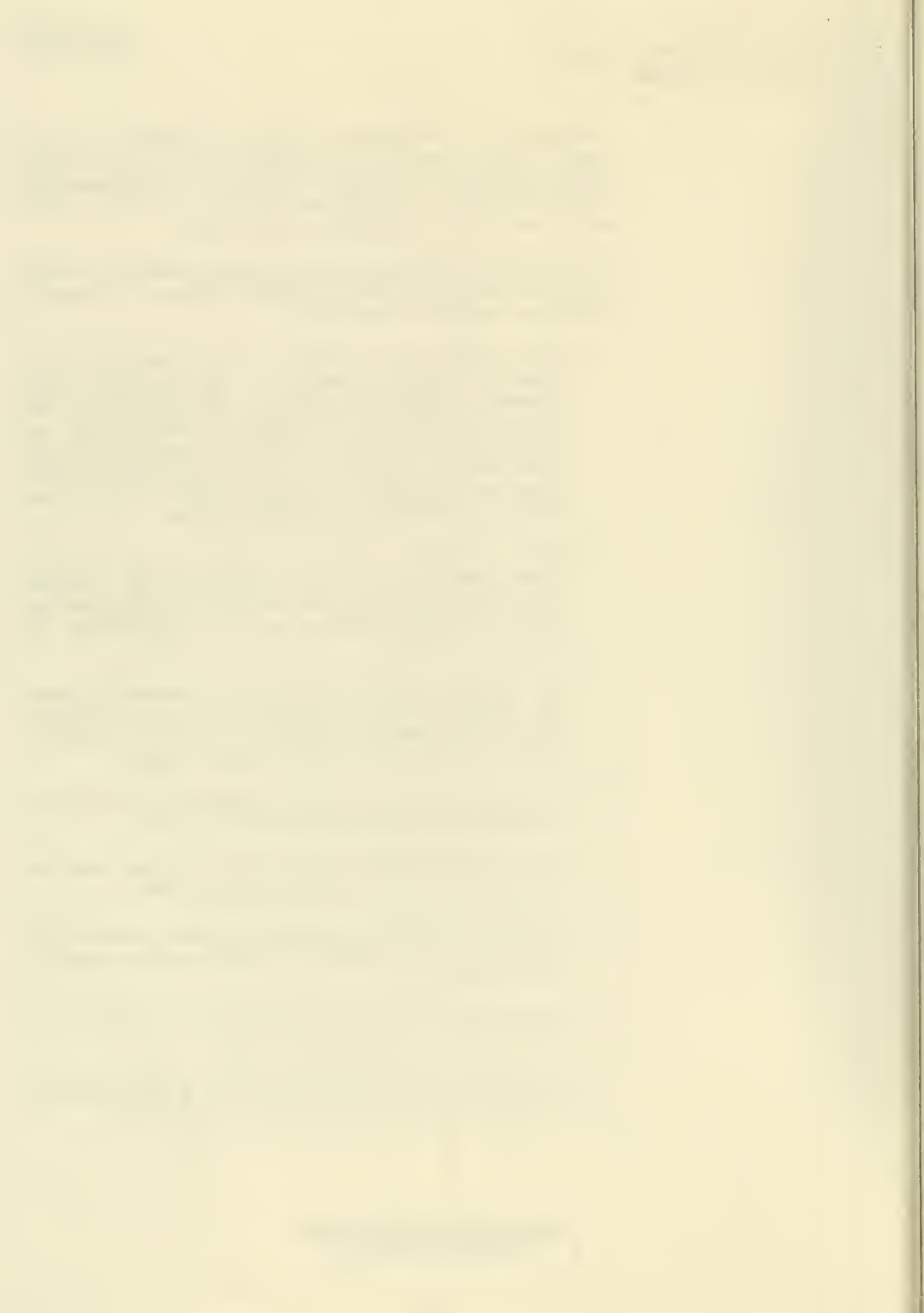
1. The present lease between the San Francisco Giants and the City was executed on March 15, 1958 for a period of 35 years and is to terminate at the end of the 1993 baseball season. The proposed amendment to the Candlestick Park lease would allow the San Francisco Giants, by written notice, to convert the remainder of the term of the lease into a series of one year options if (1) a new proposed downtown ballpark is ready for occupancy prior to the 1995 baseball season or (2) specific project milestones for the proposed downtown ballpark project are not met. Converting the remainder of the term of the existing Candlestick Park lease with the Giants could result in an early termination by the San Francisco Giants of its Candlestick Park lease.



The proposed lease amendment would specifically allow the Giants to notify the City by December 31st that the Giants could terminate the remainder of the terms of the lease, with such termination to be effective as of December 31st of the year in which the termination notice is given.

2. The specific downtown ballpark project milestones which, if not met, would allow the San Francisco Giants to convert to the one year options are as follows:

- a. The passage of the ballot measure approving the downtown ballpark project and, to the extent voter approval is legally required in the November, 1989 election, providing the funding for transportation and traffic improvements including building of the Embarcadero Parkway, constructing a MUNI Metro Turnback and MUNI Extension with a station at the ballpark and building the MUNI F-Line.
- b. The aggregate deposits received by Spectacor Management Group, the developer of the proposed downtown ballpark, for the sales of luxury suites and VIP loge seats together amount to \$8,250,000 by September 30, 1990.
- c. Delivery to the Giants by the City by November 1, 1990 of the staffing plans to provide adequate traffic and pedestrian control in the vicinity of and at the ballpark before, during and after each baseball game.
- d. City approval of the final Environmental Impact Report for the ballpark by December 15, 1990.
- e. Issuance/sale of \$50.0 million in tax exempt bonds for financing the ballpark by December 31, 1990.
- f. Enactment of all ordinances and other approvals to provide a parking garage with 1,500 parking spaces by June 30, 1991.
- g. Commencement of construction of the traffic and transit improvements by June 30, 1991.
- h. Acquisition, assembly and assurance of developability of the land for the ballpark by January 31, 1992.



- i. Receipt of all necessary federal, state and local governmental and quasi-governmental approvals for the commencement of construction of the ballpark by December 31, 1992.
 - j. Execution of the ground lease for the ballpark by the City or its designee and Spectacor by January 31, 1993.
 - k. Delivery of a clean site to Spectacor in a condition such that Spectacor may immediately begin construction of the ballpark by January 31, 1993.
 - l. Commencement of construction of the ballpark by January 31, 1993.
 - m. Delivery to Spectacor of adequate infrastructure to the property lines of the ballpark site to Spectacor's satisfaction by June 30, 1993.
 - n. Commencement of construction of the parking structure by the City or its designee by September 30, 1993.
 - o. Completion of construction of the project (ballpark, parking and all traffic and transit improvements) by January 31, 1995.
3. Mr. Ernie Prindle, of the Recreation and Park Department, has prepared estimates of the net annual financial impact on the Candlestick Park Fund if the San Francisco Giants were to terminate the lease prior to its expiration as follows:

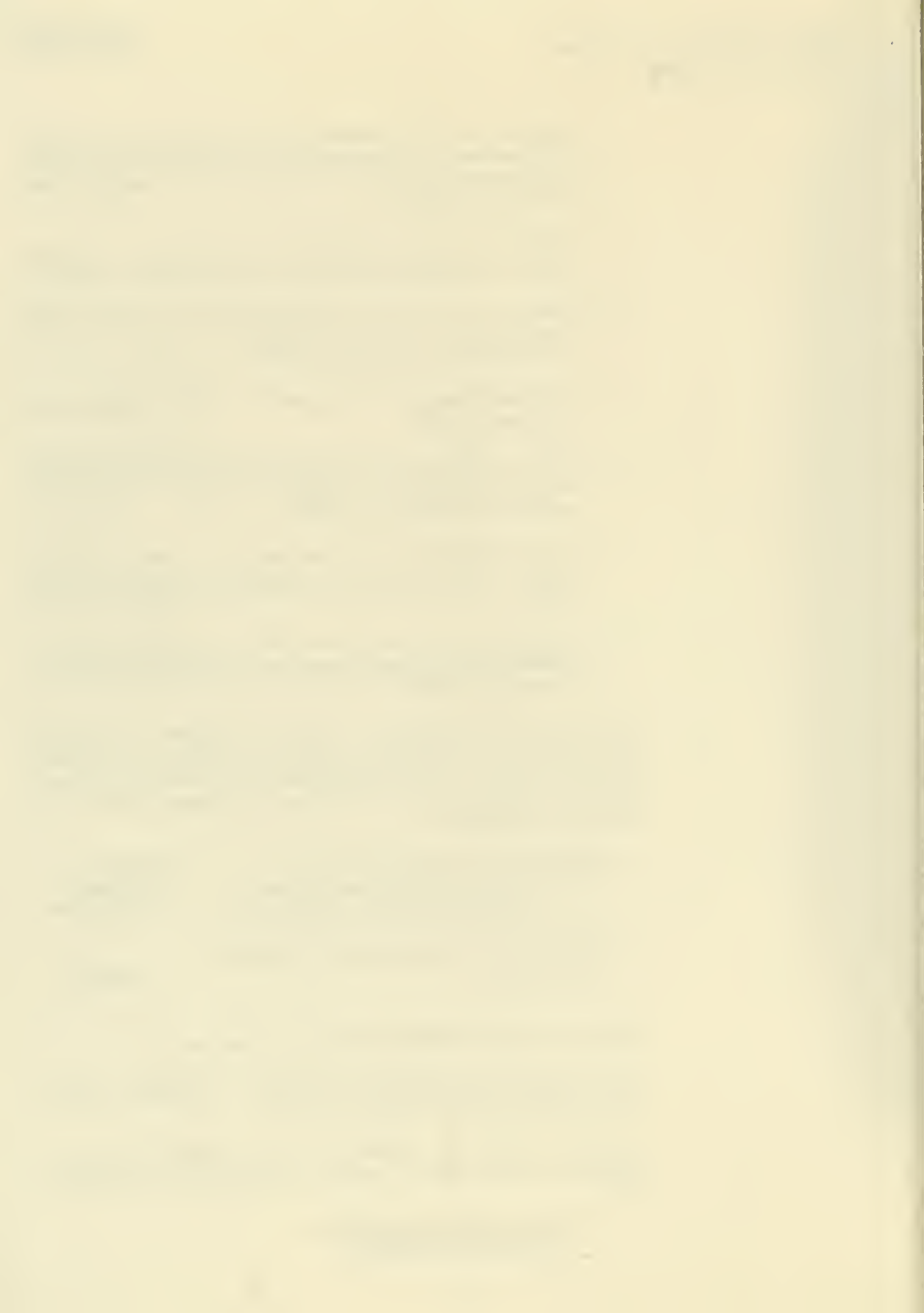
Estimated Loss of Direct Revenue	\$2,696,632 *
Less: Estimated Reductions in Cost	(1,152,587) **
Anticipated Additional Revenues	<u>(870,000) ***</u>
Net Potential Annual Loss to Candlestick Park Fund	\$674,045

* Based on actual 1988 baseball season revenues

** It should be noted that the estimated reductions in cost might require layoffs of City employees.

*** The anticipated additional revenues assume that 37 additional annual events would be scheduled at Candlestick Park.

BOARD OF SUPERVISORS
BUDGET ANALYST



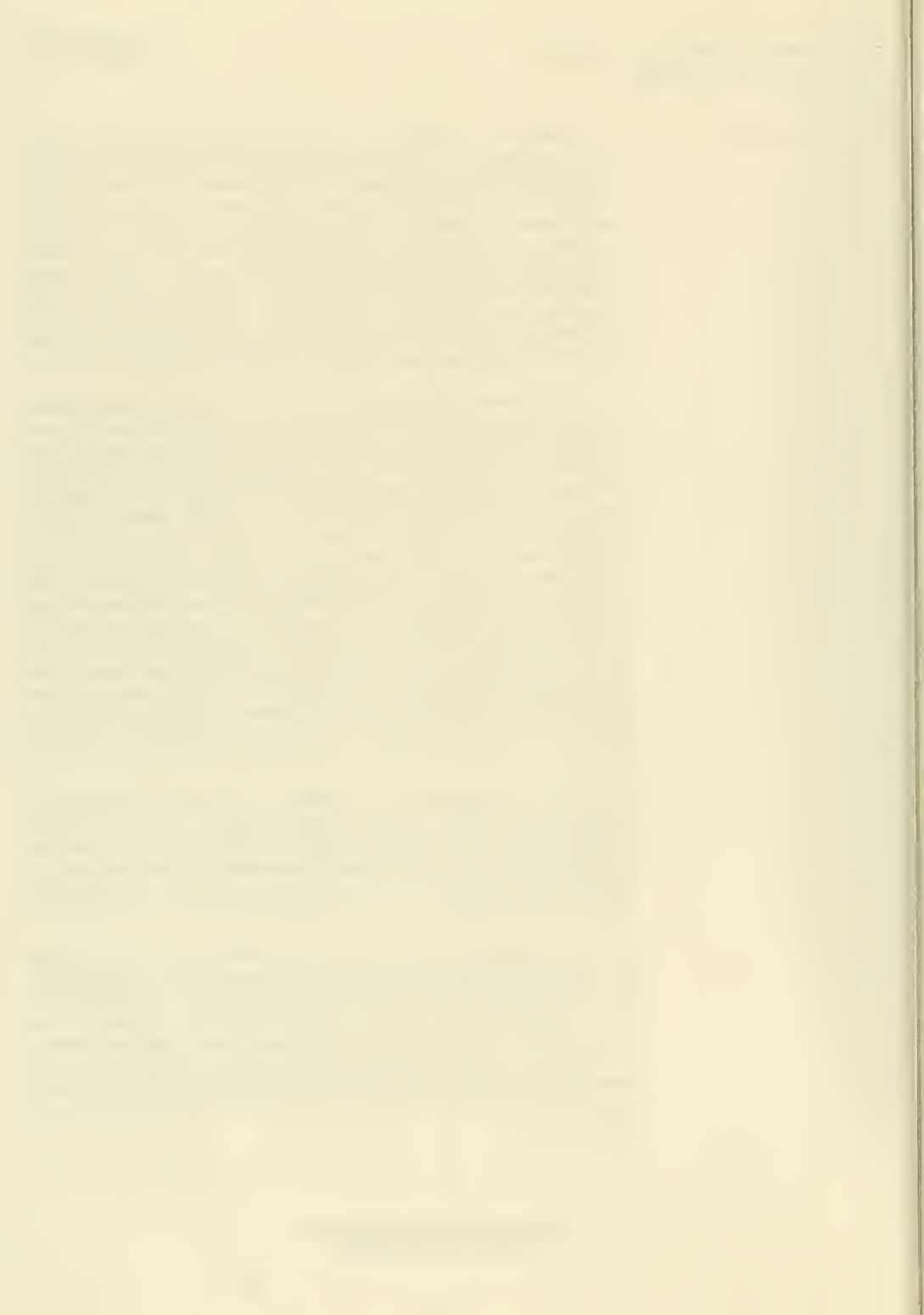
Comments:

1. In discussions with Mr. Corey Busch, Mr. Busch pointed out that should the Giants exercise their right under this proposed lease amendment to terminate their tenancy at Candlestick Park early, the City would then have the opportunity to accelerate the renovation program currently underway to improve Candlestick Park for the 49ers. Acceleration of that program, according to Mr. Busch, would have beneficial economic impact on the City, such as the construction of additional seats. Mr. Busch points out that this would result in increased revenues to the City. The Budget Analyst concurs with this observation of Mr. Busch.

2. The Mayor on behalf of the City executed Memorandum of Understandings (MOUs) with the San Francisco Giants and Spectacor on July 27, 1989. These MOUs are agreements related to the development and construction of the downtown ballpark and obligate the City to provide full site acquisition and preparation, construction of a 1,500 space garage, infrastructure improvements, traffic and transit improvements, all of which are mentioned above as milestones integral to the proposed lease amendment. The complete details and cost estimates of these obligations are not yet available for review by the Budget Analyst, but will be reviewed and reported on by the Budget Analyst as they become available. The Budget Analyst anticipates completion of a report on the proposed downtown ballpark on or about September 30, 1989 if the information requested from the Mayor's Office is forwarded to the Budget Analyst on a timely basis.

3. The MOU executed by the Mayor with the San Francisco Giants on July 27, 1989 states that if this proposed amendment to the Candlestick Park lease is not approved by October 3, 1989, the Giants may, by submitting written notice, terminate the MOU and be released from all obligations contained therein.

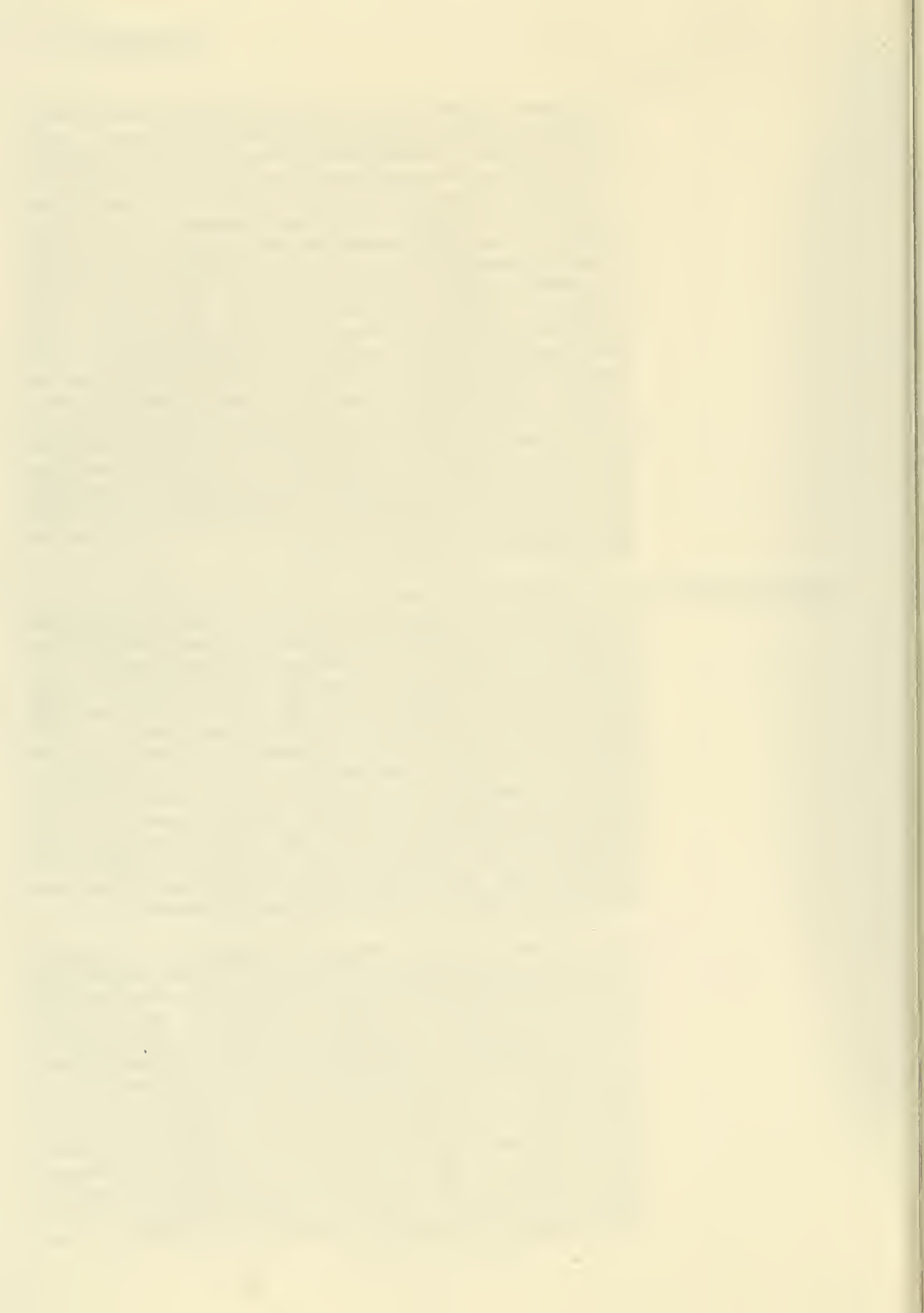
4. In an August 18, 1989 letter to the Budget Analyst from Ms. Carol Wilkins, Deputy Mayor, Finance (see attachment), Ms. Wilkins stated, regarding this proposed amendment to the Candlestick Park lease with the Giants, "I think it is important to view this guarantee, and the potential consequences if the City fails to take those steps necessary to construct the new ballpark, in the context of the overall agreement we have reached with both the Giants and Spectacor."



5. As reported above by the Recreation and Park Department, \$870,000 of additional revenues are anticipated to be generated from 37 outside annual events. If these events are held, and if the estimated reduction in costs of \$1,152,587 can be achieved, there would still remain an annual net estimated loss of \$674,045 to the Candlestick Park Fund, based on actual 1988 baseball season revenues. However, it should be noted that given the higher attendance this season, the 1989 baseball season revenues are anticipated to be greater than those reported for 1988. As a result, the corresponding loss of revenue to the City if the Giants were to leave Candlestick Park would also be greater based on 1989 baseball season revenues. Similarly, if fewer than 37 annual events are scheduled, and the total estimated cost reductions are not achieved, the potential annual loss to the City of \$674,045 would increase. Assuming the Recreation and Park Department's projected annual net loss of \$674,045, and given that there are four years remaining in the Giants' lease with the City, if the Giants decide to terminate the lease in 1989, such termination would result in a net loss of approximately \$2.7 million over a four-year period.

Recommendations: 1. The Budget Analyst notes that the City has no responsibility nor control of the sale or receipt of deposits on luxury suites and VIP loge seats nor the award of the construction contract for the ballpark (project milestones 2. b. and 2. l. above) relating to the receipt of \$8,250,000 in deposits by September 30, 1990 from the sale of luxury suites and VIP loge seats and commencement of the construction of the ballpark by January 31, 1993. Normally, the Budget Analyst would not recommend the inclusion of these two milestones in the proposed lease agreement. However, according to Mr. Busch, these milestones were incorporated based on a 'give and take' negotiating process, and their inclusion in the proposed lease agreement must be balanced with other considerations. Consequently, the Budget Analyst believes that this is a policy matter for the Board of Supervisors.

2. As noted above, the proposed amendment would permit the San Francisco Giants to have an early termination of its Candlestick Park lease. The Board of Supervisors has directed the Budget Analyst to report on the proposed downtown ballpark. We anticipate completing our report on or about September 30, 1989 if the information requested from the Mayor's Office is provided to the Budget Analyst on a timely basis. In view of the fact that our report on the proposed downtown ballpark is not yet complete, and in view of the fact that all of the details of the proposed downtown ballpark have not yet been finalized according to the Mayor's Office, and in view of the fact that the proposed amendment to permit the Giants to have an early termination of its Candlestick Park lease has a direct relationship on the



proposed downtown ballpark, the Budget Analyst is unable to make a recommendation of this proposed amendment to permit the Giants early termination of its Candlestick Park lease at this time.

Office of the Mayor
SAN FRANCISCO



ART AGNOS

August 18, 1989

Mr. Harvey Rose
Budget Analyst
1390 Market #1025
San Francisco, California 94102

Dear Harvey:

As you review the proposed amendment to the Giants' Candlestick Park lease, I would like you to consider some of the factors which convinced the Mayor to agree to support this lease amendment.

First, and most significantly, the Giants have made a commitment to stay in San Francisco well into the next century, assuming that the City of San Francisco will participate in the construction of a new ballpark. In making this commitment to San Francisco, the Giants have given up the opportunity to pursue more lucrative offers from other cities.

This lease amendment is, in effect, a statement of commitment by the City to take all of the steps needed to ensure that the proposed ballpark -- which has enticed the Giants to remain here in San Francisco -- becomes a reality.

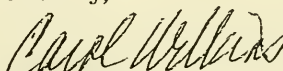
In our negotiations with the Giants it became clear that the good intentions and enthusiasm of the Mayor and other ballpark supporters did not provide sufficient assurances to convince the Giants to forego other opportunities. The Mayor and the City have to be willing to provide a meaningful guarantee, first to obtain voter support for the ballpark in the November election and then to fulfill the City's responsibilities to allow construction of the ballpark by 1995.

I think it is important to view this guarantee, and the potential consequences if the City fails to take those steps necessary to construct the new ballpark, in the context of the overall agreement we have reached with both the Giants and Spectacor. Professional sports teams are in an enviable position when they negotiate with cities around the country. When you have an opportunity to review the terms of our agreement in comparison with the agreements other cities have made to keep or attract sports teams, I think you will find that we have a very good deal. If we maintain our end of this deal, the only effect of this lease amendment will be to allow the Giants to move into the new ballpark as soon as it is ready for occupancy. On the other hand, if for any reason we fail, the Mayor has indicated his willingness to work with other Bay Area communities in a regional effort to keep the Giants close to home.

A second justification for the proposed Candlestick lease amendment is that it may allow the City to gain a more speedy resolution of any legal disputes that arise during the ballpark development process. If it is clear that the City will suffer some consequence if a lawsuit delays our progress unnecessarily, we will be better able to resolve legal disputes promptly.

I hope this information is helpful as you review the proposed lease amendment. If you have any questions, please don't hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol Wilkins". The signature is fluid and cursive, with the first name "Carol" being more prominent than the last name "Wilkins".

Carol Wilkins
Deputy Mayor,
Finance

CW/fms

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

August 28, 1989

To: Carol Wilkins, Deputy Mayor for Finance
From: Ken Bruce
Subject: Our assignment to review the Downtown Ballpark Proposal

This is a follow-up to our conversations of 8/18 and your first meeting with Bill Courtright and Neal Taniguchi concerning the Candlestick lease amendment and subject assignment. Because of our respective schedules over the next month and the tight deadline for reporting to the Board on this matter (September 30, 1989), we will be collaborating on this review. Debra and Neal will be your primary contacts for the next few weeks.

I will try to provide a list of our questions based on the documents provided to us so far. Also, I understand Neal will be meeting with Steve Agostini early next week to review financial projections. Our questions outlined below are organized according to the specific documents we have received so far.

Regarding the Mayor's Summary of the Proposal (dated July 27, 1989)

1. In general, the use of the terms "City" and "City funds" do not distinguish among the various obligations and benefits specific to the Port's Harbor Fund, the City's General Fund, the Muni Enterprise Fund and the Offstreet Parking Fund. For our report, we would like to specify clearly the sources of City expenditures and the funds receiving Ballpark revenue.
2. We would like to review modal choice information, based on the experience of other Cities building downtown facilities, in comparison with current Candlestick patterns.



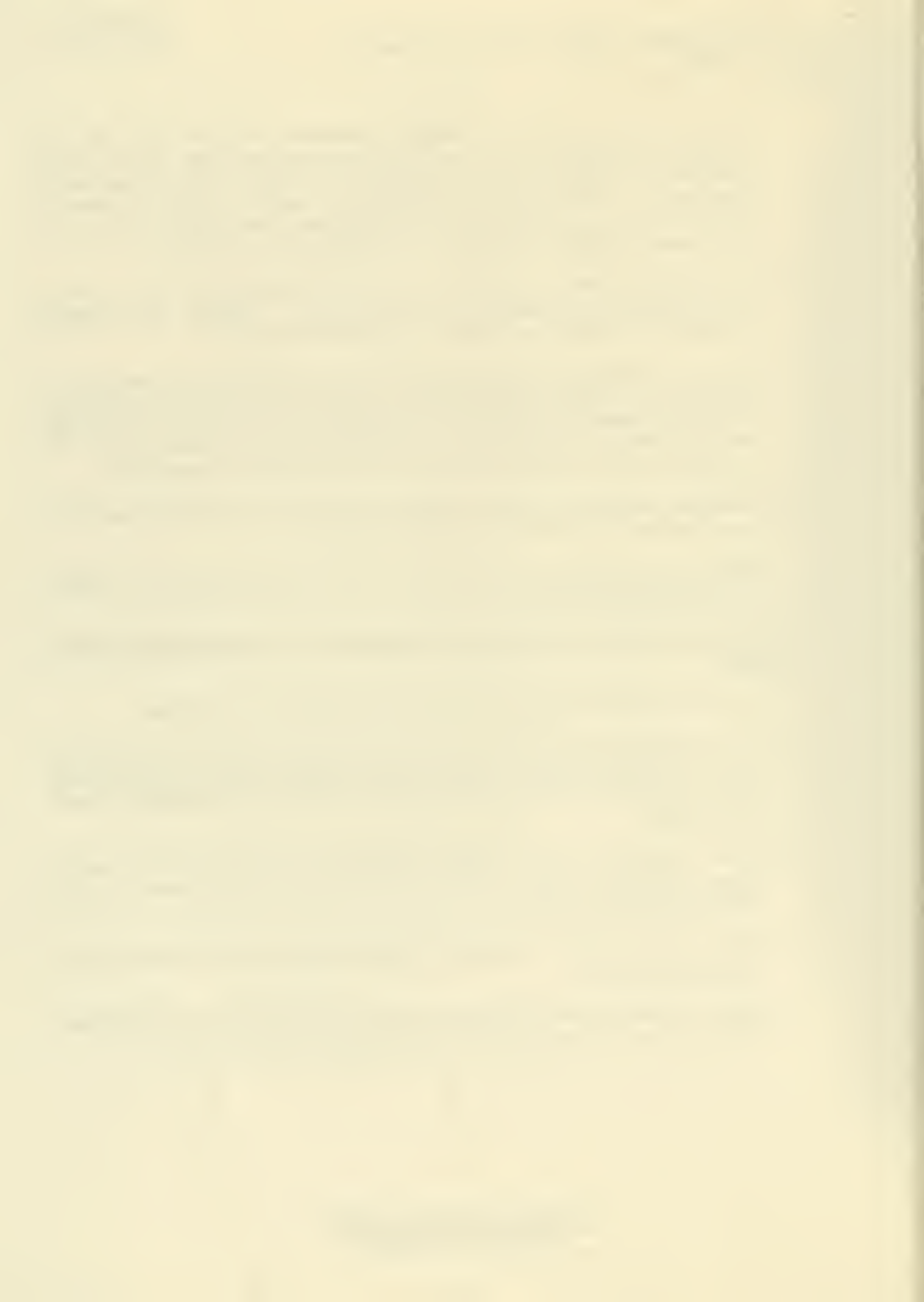
Memo to Carol Wilkins, Deputy Mayor for Finance
August 28, 1989
Page 2

3. Assuming there will be a formal agreement with the Port for the exchange of property and assembly and preparation of the site, we will of course need to review the particulars. How close is the agreement to finalization? What outside involvements and/or approvals remain? What are the estimated costs of relocation, toxic cleanup and site development? What is the source of funds for these expenses?
4. In connection with the above, how will Muni's motor coach storage requirements be satisfied in the future? Without the ballpark development, would the property be declared surplus?
5. We need to report on the particulars of the taxable and tax-exempt bond issues. For example, when the City issues the bonds through the non-profit will Spectacor's letter of credit support the one year's worth of debt service reserve requirement or will the instrument back-up the full amount of the bond issue? Will future voter approval be required?
6. What is meant by the term "equity investment" concerning the City's participation in additional construction costs?
7. With regard to the Arena project, is the City's 10% share of income based on gross receipts?

Regarding the Memorandum of Understanding with the San Francisco Giants

1. Are the various exhibits mentioned in the MOU now available?
2. The Giants will have 200 parking spaces free of charge at all times and an unspecified number of spaces free of charge during game dates. What is the value of this arrangement? Will the parking facility be self-sustaining?
3. Have funding sources been identified and secured for transit improvements? What will be the full cost over and above currently planned improvements?
4. How can the City assure new I-280 ramps when Caltrans is the responsible entity?
5. What is meant by the statement on page 13 that the City's obligations shall survive termination of the agreement by the Giants?

BOARD OF SUPERVISORS
BUDGET ANALYST



Regarding the Memorandum of Understanding with Spectacor Management Group

1. How is infrastructure, which is the responsibility of the City, to be defined?
2. What are the design guidelines? Are the remaining exhibits available?
3. How can reasonable projections of City income participation be prepared without a clear definition of net cash flow? What are Spectacor's projected profits?
4. How will paragraph 17 (Conflict of Interest and Non-Competition) affect Candlestick's ability to schedule revenue producing events to lessen the impact of lost revenue?
5. SMG agrees to conduct business operations "in accordance with the general spirit and goals of" the MBE/WBE ordinance? What about the ballpark's construction?

Regarding your memo of 8/18 concerning the Candlestick Lease Amendment

Please provide any information you have that may be useful in comparing this proposal with "...agreements other Cities have made to keep or attract sports teams."

Item 2 - File 263-89-1

Note: This item was continued by the Governmental Operations Committee at its meeting of September 18, 1989.

1. This item would consider the San Francisco Labor - Management Work Improvement Project (WIP).

2. The City has contracted with a private firm, Work Improvement Project Incorporated, for nine years to provide labor-management mediation services. The contract with Work Improvement Project Incorporated was terminated on June 30, 1989. The City's 1988-89 budget included \$80,000 for this contract.

3. The Mayor's proposed 1989-90 budget for WIP included only \$38,851 for contractual labor-management mediation services but included one new secretarial position to perform some of the services on an in-house basis. Subsequently, in the budget review process, the Mayor requested, and the Board of Supervisors approved, putting the secretarial position in another project and increasing the WIP budget for contractual services to the 1988-89 level of \$80,000.

4. Ms. Maggie Jacobsen of the Mayor's Office reports that she is currently in the process of reassessing the City's needs for labor-management mediation service alternatives in lieu of having all such services provided by an outside contractor. Alternatives being considered range from performing some services on an in-house basis to continuing to have all services provided by a contractor but revising the goals and objectives of that contract. Ms. Jacobsen states that although there is no contract at present to provide labor-management mediation services, these services continue to be provided on an in-house basis by her office until such time as her reassessment is completed.

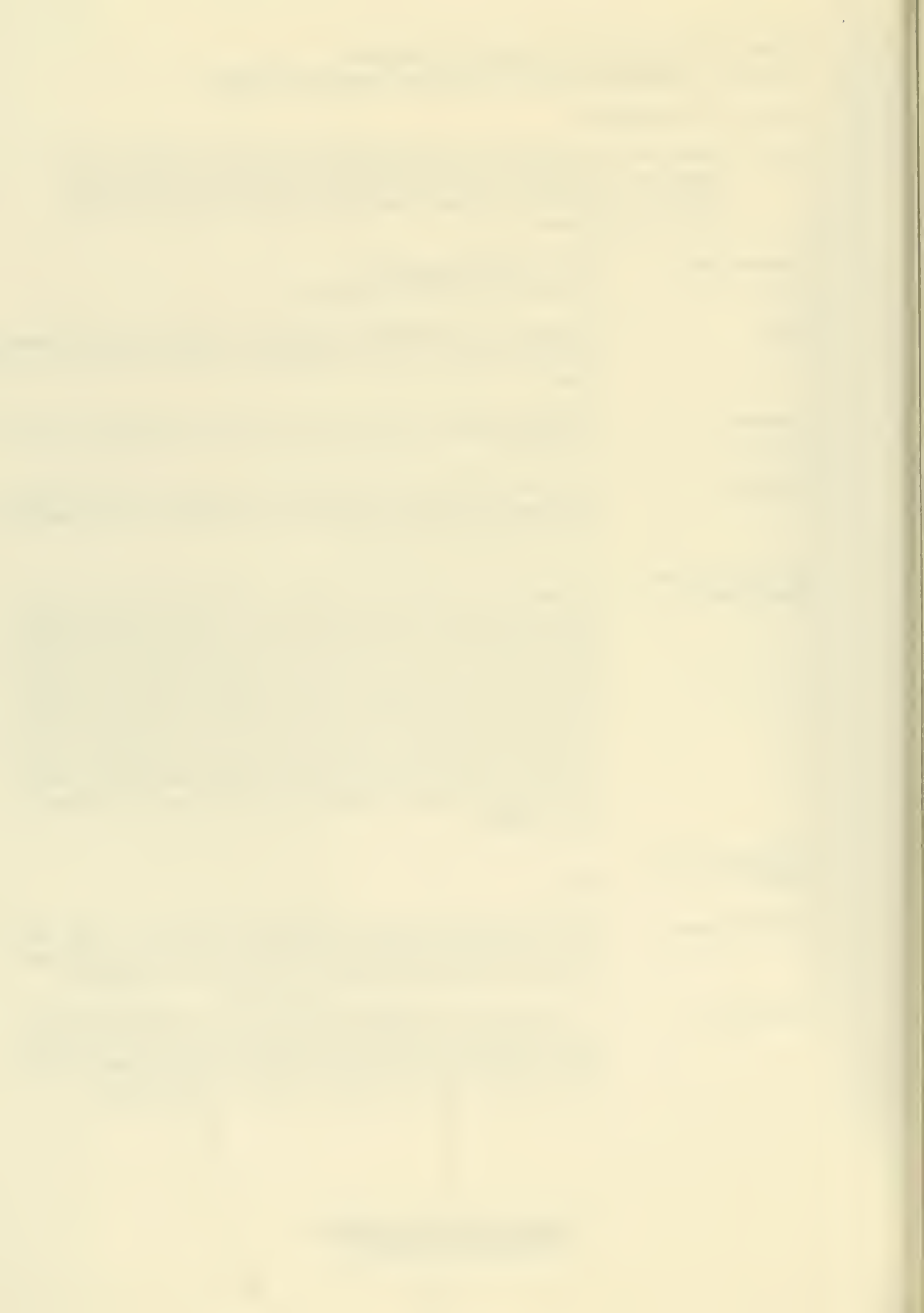
Memo to Governmental Operations Committee
October 2, 1989 Governmental Operations Committee Meeting

Item 4 - File 65-89-6

Note: This item was continued from the September 25, 1989 Governmental Operations Committee Meeting pending the Director of Property's clarification regarding a hazardous material hold harmless clause in the lease agreement.

Departments:	Real Estate Department Department of Public Works
Item:	Ordinance authorizing negotiated month-to-month lease renewal with All Auto Dismantler's Inc. for City-owned land.
Location:	398 Quint Street (a portion of Assessor Block 5227 Lot 1) - see attached
Purpose:	To allow All Auto Dismantler's Inc. restricted use of the property for purposes of storage, parking and dismantling of automobiles and trucks.
No. of Sq. Ft. and Cost/Month:	56,680 sq. ft. @ \$.06 sq. ft./mo. = \$3,400 rent/mo. (for the period August 1, 1989 through July 31, 1990). The monthly rental would then be adjusted upward annually for an additional two years to \$4,500 and \$5,650 per month respectively. These proposed future year increases represent a 32.3 percent annual increase for 1990-91 and a 25.6 percent annual increase for 1991-92. If the lease is still in effect on August 1, 1992, the City will establish a new monthly rent, at which time a renewal of this month-to-month lease would be submitted to the Board of Supervisors for approval.
% Increase over 1988-89:	100%
Term of Lease:	Month-to-Month basis commencing August 1, 1989 and continuing each month until this lease is terminated upon 30 days written notice given at any time by either party.
Comments:	1. The property at 398 Quint Street was acquired by the City from the State of California in May of 1978 to be used for the City's Clean Water Program. At the time of acquisition, All Auto Dismantler's Inc. was a tenant of the property.

BOARD OF SUPERVISORS
BUDGET ANALYST



2. Section 23.26 of the Administrative Code provides that if the City acquires real property for a public project which is under a lease to a tenant by the previous owner of the property, the Director of Property may enter into a lease agreement for such property with the same tenant on a month-to-month basis, until such time as the property is required by the Department having jurisdiction over it.

3. According to Mr. Harold Coffee of the Clean Water Program, usage of the 398 Quint Street property is included in the Clean Water Program's long range plans for expansion of their sewage treatment facilities to provide additional waste water treatment and/or water reclamation capability. Mr. Coffee advises that no specific timetable has been set for this expansion project.

4. The Real Estate Department reports that the proposed monthly rental amount of \$3,400 represents the fair market rental of the space to be leased.

5. At the September 25, 1989 Governmental Operations Committee meeting, the Director of Property requested that this item be continued one week because the hold harmless clause attached to the lease agreement did not appear to be the most up-to-date version. The Director of Property reports that the current version of the clause is now attached to and a part of the lease agreement.

Recommendation: Approve the proposed Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

DAVIDSON AVE.



1"=600'-0"

250'

350'

64'

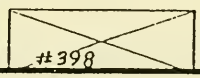
BLOCK 5227
All Auto Dismantlers

M&M Auto Wreckers

47,782.50 SQ. FT.

32,498.40 SQ. FT.

24,182 SQ. FT.
All Auto Dismantlers



200'

143'

107'

EVANS AVE.

80'

Lease Area: 56,680 sq.ft.

Memo to Governmental Operations Committee
October 2, 1989 Governmental Operations Committee Meeting

Item 5 - File 97-89-40

Item: Ordinance amending San Francisco Administrative Code Article 57 to create a San Francisco Film and Video Arts Commission, establish the duties and authority of the Commission and replace the position of Mayor's Office Film Coordinator with an Executive Director to be appointed by the Commission.

Description: Administrative Code Article 57 was adopted in approximately 1985 to establish a Mayor's Office Film Coordinator to administer the negotiation and execution of use agreements with film companies seeking to engage in film productions in the City. The Film Coordinator is currently appointed by the Mayor.

The proposed ordinance would create an 11-member Film and Video Arts Commission whose members would be appointed by the Mayor for staggered four year terms, to serve without compensation. The Commission would be empowered to promote filmmaking and video arts in the City, including promoting community awareness of these endeavors as art forms, coordinate and maintain communication and outreach efforts to advance the City's image in the film and video industry, and stimulate long-range investment in the City's projects and talent pool.

The Commission would be headed by an Executive Director who would replace the existing Film Coordinator and would be a salaried position.

Comments:

1. Currently, agreements, permit processing for film and video productions, marketing and outreach programs are handled by the Mayor's Office Film Coordinator. Approximately \$44,000 of the Mayor's Office budget is for these activities.
2. The Administrative Code requires production companies to reimburse the City for City services required, such as police services, and additionally to pay daily charges as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 2, 1989 Governmental Operations Committee Meeting

Videos, documentaries, print, travel, corporate/ industrial films	\$100/day
Commercials	\$200/day
Television programs/feature films	\$300/day
Student, educational, non-profit productions	(no charge)

3. One-half of these fees are deposited in a Film Production Special Fund for the administration of the program and to promote San Francisco as a film location. The remaining one-half is deposited in a reserve fund under the auspices of the Controller to be apportioned to City departments incurring costs related to film productions. Ms. Eickman, the Mayor's Office Film Coordinator, estimates that the Film Production Special Fund received approximately \$40,000 last year as its portion of daily charges.

4. The proposed ordinance would create a formal eleven member commission with a salaried Executive Director. The proposed ordinance does not provide for funding for staff, office space, equipment, and other administrative requirements. However, Ms. Donna Yick of the Mayor's Office states that City commissions generally require support staff to respond to the inquiries and needs of Commission members. For example, the recently created Small Business Commission has an initial budget of \$150,000.

5. The Mayor recently announced that the City's economy will derive an estimated \$16 million from television production companies this season. A 1987 study by the Mayor's Film Advisory Council found that approximately \$100 million in economic benefit was received in 1986 from visiting production companies.

6. Ms. Eickman indicates that if her office had support staff to handle routine administrative functions, more time would be available to cooperate with visiting production companies in location scouting and other efforts that would make the City a more welcome location for these production companies.

Recommendation: The creation of a new Film and Video Arts Commission is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 6 - File 97-89-20

Note: This item was continued at the September 18, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City's construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

BOARD OF SUPERVISORS
BUDGET ANALYST

- b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SDBE/SDBE firms from subcontracting opportunities.
 - c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SDBE/SDBE firms.
 - d. Unless the City takes positive steps to prevent discrimination against SDBE/SDBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.
 - e. The City's SDBE/SDBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SDBE/SDBE firms from subcontracting opportunities on City construction contracts.
4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SDBE/SDBE participation goals, monitoring and reporting, compliance, review and implementing instructions:
- a. Policy: The City will rely on the relationship between the percentages of SDBE/SDBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.
 - b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.
 - c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

BOARD OF SUPERVISORS
BUDGET ANALYST

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance;
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;

BOARD OF SUPERVISORS
BUDGET ANALYST

(3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;

(4) Incorporate liquidated damages provisions;

(5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.

(6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.

(7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and

such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. Monitoring, Reporting, and Compliance: The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. Review: The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. Implementing Regulations: The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall

BOARD OF SUPERVISORS
BUDGET ANALYST

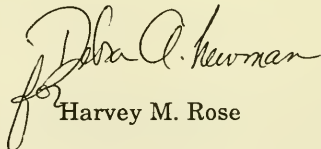
Memo to Governmental Operations Committee
October 2, 1989 Governmental Operations Committee Meeting

provide for administrative procedures that allow a prime reconstruction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.
2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins

Stacy Becker
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
590.32
42
10/2/89
CL

Note: Meeting will
begin at 9:00 a.m.
instead of 10:00 a.m.

DOCUMENTS DEPT.

OCT 11 1989

SAN FRANCISCO
PUBLIC LIBRARY

Actions
Taken

C A L E N D A R
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, OCTOBER 2, 1989 - 9:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

CLERK: GAIL JOHNSON

1. File 93-89-18. Hearing to consider memorandums of understanding signed by the Mayor and the San Francisco Giants and the Mayor and Spectacor Management Group. (Supervisors Walker, Gonzalez)

ACTION: Hearing held. Continued to October 10, 1989 meeting.

2. File 263-89-1. Hearing to consider the Work Improvement Project. (Supervisor Walker)

(Continued from 9/18/89)

ACTION: Continued to October 10, 1989 meeting.

3. File 40-89-12. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "O" in the West Portal/Saint Francis Wood area and adding Nineteenth, Twentieth, Twenty-First, and Twenty-Second Avenues (between Taraval and Ulloa Streets), to the list of streets upon which time limitations shall apply. (Department of Public Works)

(Continued from 9/25/89)

ACTION: Continued to October 10, 1989 meeting.

4. File 65-89-6. [Lease Renewal] Ordinance authorizing negotiated month-to-month lease renewal with All Auto Dismantler's, Inc., of vacant commercial land identified as portion of Assessor's Block 5227, Lot 1, commonly known as 398 Quint Street. (Real Estate Department)

(Continued from 9/25/89)

ACTION: Continued to October 10, 1989 meeting.

5. File 97-89-40. [Film and Video Arts Commission] DRAFT ordinance amending Administrative Code Chapter 57, authorizing the Office of the Mayor to enter into use agreements with film and other visual arts companies for use of City property, personnel and facilities and properties and requiring such companies to enter into use agreements, by creating a San Francisco Film and Video Arts Commission, by establishing the duties and authority of the commission and by replacing the Mayor's Office Film Coordinator with an Executive Director appointed by the commission. (Supervisor Alioto)

ACTION: Amendment of the Whole bearing same title, as presented by Supervisor Alioto in Committee, adopted. Recommended as amended.

File 97-89-40.1. Resolution (as presented by Supervisor Alioto) prepared in and reported out of Committee entitled: "Urging the Mayor to urge the Art Commission to invite the Chair of the Film and Video Arts Commission to attend the meetings of the Art Commission." Recommended.

6. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and county prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 9/18/89)

ACTION: Continued to October 10, 1989 meeting.

90.32
3
10/89
CITY AND COUNTY



Public Library, Document
Dept. ATT
Levy
OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

October 5, 1989

DOCUMENTS DEPT.

OCT 10 1989

SAN FRANCISCO
PUBLIC LIBRARY

TO: Governmental Operations Committee

FROM: Budget Analyst

SUBJECT: October 10, 1989 Governmental Operations Committee Meeting.

Item 1 - File 263-89-1

Note: This item was continued by the Governmental Operations Committee at its meeting of October 2, 1989.

1. This item would consider the San Francisco Labor - Management Work Improvement Project (WIP).

2. The City has contracted with a private firm, Work Improvement Project Incorporated, for nine years to provide labor-management mediation services. The contract with Work Improvement Project Incorporated was terminated on June 30, 1989. The City's 1988-89 budget included \$80,000 for this contract.

3. The Mayor's proposed 1989-90 budget for WIP included only \$38,851 for contractual labor-management mediation services but included one new secretarial position to perform some of the services on an in-house basis. Subsequently, in the budget review process, the Mayor requested, and the Board of Supervisors approved, putting the secretarial position in another project and increasing the WIP budget for contractual services to the 1988-89 level of \$80,000.

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

4. Ms. Maggie Jacobsen of the Mayor's Office reports that she is currently in the process of reassessing the City's needs for labor-management mediation service alternatives in lieu of having all such services provided by an outside contractor. Alternatives being considered range from performing some services on an in-house basis to continuing to have all services provided by a contractor but revising the goals and objectives of that contract. Ms. Jacobsen states that although there is no contract at present to provide labor-management mediation services, these services continue to be provided on an in-house basis by her office until such time as her reassessment is completed.

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

Item 3 - File 65-89-6

Note: This item was continued from the October 2, 1989 Governmental Operations Committee Meeting.

Departments:	Real Estate Department Department of Public Works
Item:	Ordinance authorizing negotiated month-to-month lease renewal with All Auto Dismantlers Inc. for City-owned land.
Location:	398 Quint Street (a portion of Assessor Block 5227 Lot 1) - see attached
Purpose:	To allow All Auto Dismantlers Inc. restricted use of the property for purposes of storage, parking and dismantling of automobiles and trucks.
No. of Sq. Ft. and Cost/Month:	56,680 sq. ft. @ \$.06 sq. ft./mo. = \$3,400 rent/mo. (for the period August 1, 1989 through July 31, 1990). The monthly rental would then be adjusted upward annually for an additional two years to \$4,500 and \$5,650 per month respectively. These proposed future year increases represent a 32.3 percent annual increase for 1990-91 and a 25.6 percent annual increase for 1991-92. If the lease is still in effect on August 1, 1992, the City will establish a new monthly rent, at which time a renewal of this month-to-month lease would be submitted to the Board of Supervisors for approval.
% Increase over 1988-89:	100%
Term of Lease:	Month-to-Month basis commencing August 1, 1989 and continuing each month until this lease is terminated upon 30 days written notice given at any time by either party.
Comments:	1. The property at 398 Quint Street was acquired by the City from the State of California in May of 1978 to be used for the City's Clean Water Program. At the time of acquisition, All Auto Dismantlers Inc. was a tenant of the property.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Section 23.26 of the Administrative Code provides that if the City acquires real property for a public project which is under a lease to a tenant by the previous owner of the property, the Director of Property may enter into a lease agreement for such property with the same tenant on a month-to-month basis, until such time as the property is required by the Department having jurisdiction over it.

3. According to Mr. Harold Coffee of the Clean Water Program, usage of the 398 Quint Street property is included in the Clean Water Program's long range plans for expansion of their sewage treatment facilities to provide additional waste water treatment and/or water reclamation capability. Mr. Coffee advises that no specific timetable has been set for this expansion project and that this property could continue to be leased to all Auto Dismantlers Inc. at this time.

4. The Real Estate Department reports that the proposed monthly rental amount of \$3,400 represents the fair market rental of the space to be leased.

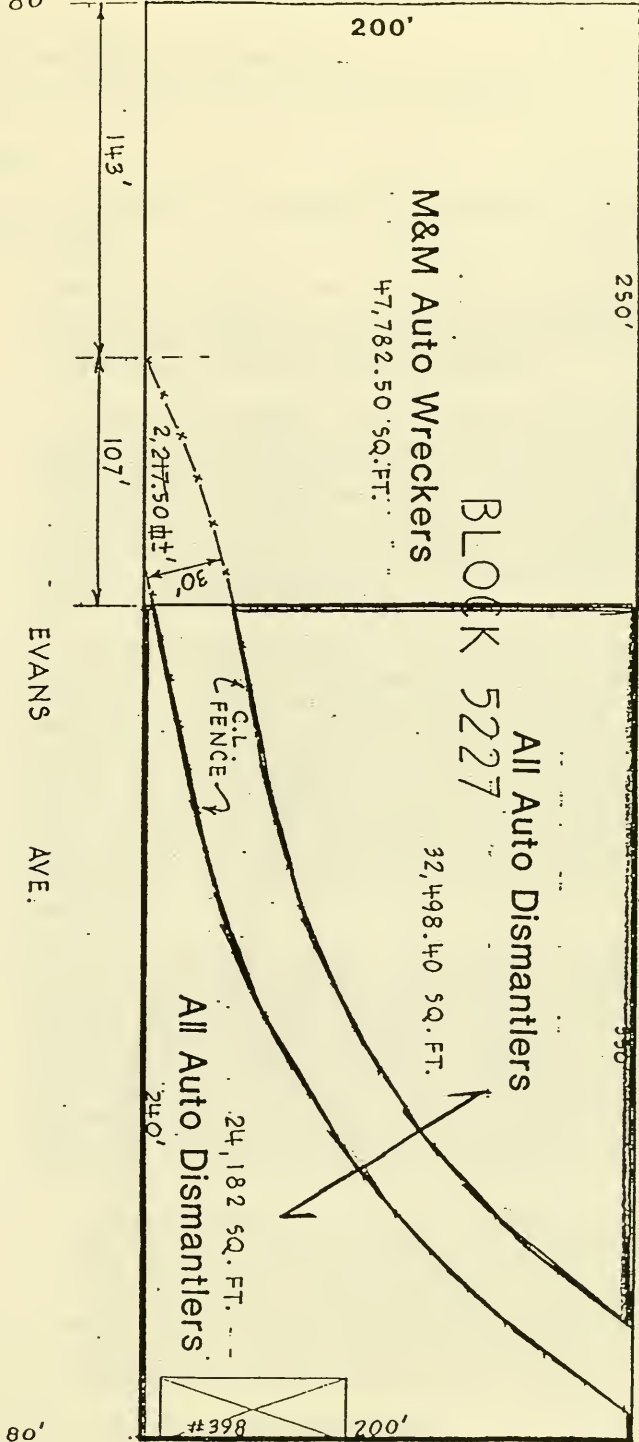
5. At the September 25, 1989 Governmental Operations Committee meeting, the Director of Property requested that this item be continued one week because the hold harmless clause attached to the lease agreement did not appear to be the most up-to-date version. The Director of Property reports that the current version of the hold harmless clause is now attached to and a part of the lease agreement.

Recommendation: Approve the proposed Ordinance.

DAVIDSON AVE.



1" = 600' 0"



Lease Area: 56,680 sq.ft.

RE-69-78

Item 4 - File 97-89-20

Note: This item was continued at the October 2, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

BOARD OF SUPERVISORS
BUDGET ANALYST

- b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SDBE/SDBE firms from subcontracting opportunities.
 - c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SDBE/SDBE firms.
 - d. Unless the City takes positive steps to prevent discrimination against SDBE/SDBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.
 - e. The City's SDBE/SDBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SDBE/SDBE firms from subcontracting opportunities on City construction contracts.
4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SDBE/SDBE participation goals, monitoring and reporting, compliance, review and implementing instructions:
- a. Policy: The City will rely on the relationship between the percentages of SDBE/SDBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.
 - b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.
 - c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance:
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;

BOARD OF SUPERVISORS
BUDGET ANALYST

(3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;

(4) Incorporate liquidated damages provisions;

(5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.

(6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.

(7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and

such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SDBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SDBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SDBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SDBE/SWBE goal based on the nature of the work or availability of qualified SDBE/SWBE firms capable of performing the work.

i. Monitoring, Reporting, and Compliance: The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. Review: The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SDBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. Implementing Regulations: The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall

BOARD OF SUPERVISORS
BUDGET ANALYST

provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.
2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

Item 5 - File 64-89-32

Department: Workers Compensation Division of the Employees' Retirement System and the Health Service System.

Item: Resolution to authorize a new lease

Location: 1155 Market Street, 3rd Floor

Purpose of Lease: Office and computer space

Lessor: Continental Savings of America

No. of Sq. Ft. and Cost/Month: 12,918 sq. ft. @ \$1.00/sq. ft./mo = \$12,918 per month

Health Service System would occupy 51% of the space or 6,588 sq. ft.

Workers' Compensation Division would occupy 49% or 6,330 sq. ft.

Annual Cost: \$155,016; HSS would pay \$79,056 and Employees' Retirement System would pay \$75,960.

% Increase over Current Lease: 25%. The Employees' Retirement System Workers Compensation Division currently pays St. Francis Memorial Hospital \$1 per year for 4,456 sq. ft. and \$29,472 per year for 1,620 sq. ft. for a total of \$29,473 per year for 6,076 sq. ft. The Health Service System is paying \$94,212 per year for 5,771 sq. ft. of office space and storage space at 1212 Market Street. The combined annual rent is \$123,685 per year.

Utilities & Janitor Provided by Lessor: Yes, except for electricity.

Alteration Costs: \$11,000 for a supplemental air conditioning unit in a computer room which will be charged to Health Service System.

Term of Lease: Five-year lease for the period December 1, 1989 to November 30, 1994, unless funds for rental payments are not appropriated in any subsequent fiscal year, at which time the City may terminate this lease with ninety days prior written notice to lessor.

BOARD OF SUPERVISORS
BUDGET ANALYST

Source of Funds: 1989-90 budget.

- Comments:**
1. Health Service System is currently paying \$1.36/sq. ft./mo. at its 1212 Market Street location as compared to the rate of \$1.00/sq. ft./mo. at the proposed facility. There is currently 137 square feet per employee and at the proposed location there would be 169 square feet per employee.
 2. Health Service System currently pays rent on a month-to-month basis at its 1212 Market Street location. They would not require any supplemental funds to move to the proposed site.
 3. The Employees' Retirement System arrangement with St. Francis Hospital provides that 4,456 sq. ft. of their total of 6,076 sq. ft. is billed at the rate of \$1.00 per year. The charge for the other 1,620 sq. ft. is \$2,456 per month. The average charge is 40¢/sq. ft./mo. The rate at the proposed facility is \$1.00/sq. ft./mo. There is currently 152 sq. ft. per employee at the existing location. This would increase to 158 square feet per employee at the proposed facility.
 4. Employees' Retirement System is currently on a month-to-month lease at St. Francis Hospital. The additional rent and costs of moving have been included in the Employees' Retirement Systems' 1989-90 budget and would not require supplemental funding.
 5. The City would pay electricity costs at the new location. According to Mr. Gerald Romani of the Real Estate Department, these costs are estimated at \$0.035/ft./mo., or \$0.42/ft./year. The total annual cost would be \$5,423.
 6. In addition to providing more adequate space, Mr. Rudy Hernandez of Employees' Retirement System reports that combining the Workers Compensation employees with the other Retirement employees would allow more effective administration and management.

Recommendation: Approve the proposed resolution.

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

Item 6 - File 146-89-55

Department: Department of Public Health

Item: Resolution authorizing the adoption of the 1989-90 County Health Services Plan and Budget and the application, acceptance and expenditure of an allocation from the County Health Services Fund of the State Department of Health Services.

Amount: \$60,971,817

Source of Funds: State's County Health Services Fund (AB8 and MIA)

Term of Allocation: October 15, 1989 through September 30, 1990

Description: These funds, which have been allocated to the City since FY 1979-80, are included as revenues in the Department of Public Health's 1989-90 budget and, in the case of AB8, match City General Fund support for various public health, inpatient and outpatient programs in the Department, including services provided at San Francisco General and Laguna Honda Hospital.

The Department's overall program priorities for 1989-90, as outlined in the Plan, are listed below:

- Cost Effective Quality of Care: To assure the provision of cost effective, quality health care services in order to best serve clients and community.
- Access: To ensure access to health care services.
- Accreditation and Licensure: To maintain compliance with State and Federal accreditation and licensure standards and requirements.
- Legally Mandated Services: To maintain compliance with legislative and judicial consent decree requirements mandated for health and health related services and reporting.
- Revenue Generation: To optimize revenue operating activities from State, Federal, and other third party payor sources in all components of the Department.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Comprehensive Health Care Services: To ensure the provision of a comprehensive range of health care services to residents of San Francisco with special consideration of at-risk and vulnerable groups in all segments of the community including:
 - Persons with AIDS/ARC/HIV infection and those at-risk
 - Children
 - Chronically ill persons
 - Elderly people
 - Homeless persons
 - Minority and immigrant populations
 - Severely mentally ill persons
 - Women
- Primary Care: To create a primary care network inclusive of Department and community-based sites.
- Community-based Services: To continue development of community-based services to assure appropriate service levels within the continuum of care.
- Preventive Services: To enhance the prevention efforts of the Department, particularly in areas of at-risk and vulnerable groups.
 - To prevent the transmission of HIV infection, with particular focus on the intravenous drug-using community.
 - To prevent the spread of sexually transmitted diseases, specifically targeting teenage males.
 - To reduce the prevalence of tuberculosis in San Francisco to below the state average.
 - To decrease infant mortality rates and the prevalence of low birth weight infants, especially within the Black population.
- Emergency Medical Services: To improve pre-hospital emergency services.

- Substance Abuse:

To prioritize the use of crack cocaine as a public health epidemic and re-allocate resources accordingly.

To establish a residential program for pregnant women addicted to crack cocaine.

To develop and enhance substance abuse prevention, treatment and recovery services, utilizing a public health and community development approach.

- Private Sector and Interagency Collaboration and Coordination: To continue to expand DPH collaboration and coordination with other City Departments, the private sector, community-based organizations and volunteer groups.
- Administrative Support: To maintain administrative support levels consistent with service and revenue generating requirements.

Budget:

The proposed 1989-90 County Health Services Plan and Budget includes \$60,971,817 of requested State funds as follows:

<u>County Health Services Fund</u>	<u>Amount</u>
Per Capita Grant (AB8)	\$3,678,352
State Share Amount (AB8)	<u>37,072,906</u>
Subtotal	\$40,751,258
Medically Indigent Adult (MIA)	
Services Program Allocation	<u>20,220,559</u>
Total	\$60,971,817

Match:

Under the AB8 funding category, the State/County cost share formula provides for the State to pay one-half and the City to pay one-half of the estimated net County cost (expenditures minus revenues) for certain types of health services provided by the County. For 1989-90, the City will exceed the required 50% match by approximately \$39.9 million for a total of approximately \$77 million (\$37.1 million plus \$39.9 million) in order to provide the necessary services as approved by the Mayor and the Board of Supervisors. Funding for the \$77 million is included in DPH's budget appropriation for 1989-90.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

Comment: DPH's revenue projection for State funding under AB8 was \$40,873,415. The actual amount to be allocated by the State is \$40,751,258 a difference of \$122,157. Because DPH's, projected revenue amount was included in the Department's 1989-90 budget, Mr. Dave Fong of the Controller's Office reports that if needed, reserves might be placed on estimated expenditures equal to the amount of the State reduction of \$122,157. However, Mr. Fong added that pending discussions with DPH, no action needs to be taken at this time.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 7 - File 10-89-10

Department

Department of Public Works

Item:

Resolution granting revocable permission to Kaiser Foundation Hospital (Kaiser) to encroach upon City property to install an underground conduit for a micro-wave communication system and an underground Pacific, Gas and Electric (PG&E) vault under St. Joseph's Avenue, and adopting findings pursuant to City Planning Code Section 101.1.

Description:

The proposed resolution would grant permission to Kaiser to encroach upon City property to install and maintain a 36-inch conduit for a micro-wave communication system and a PG&E vault to house PG&E transformers under St. Joseph's Avenue, south of Geary Boulevard. The Board of Supervisors may revoke the permission at will. In addition, permission would automatically be terminated if Kaiser failed to continue insurance protection for the encroachments. The proposed resolution would also adopt City Planning Department findings that the Kaiser project is consistent with the eight priority policies of Planning Code Section 101.1.

The permission would not become effective until Kaiser had executed a street encroachment agreement, and the Controller had reviewed Kaiser's insurance policy for the encroachment and had approved Kaiser's compliance with the insurance policy.

Should any facilities belonging to the public utility companies or City departments be damaged during construction or maintenance of the microwave conduit or PG&E vault, Kaiser, at its sole expense, would be responsible for repairing the damages.

The Board of Supervisors would reserve the right to charge Kaiser a permit or rental fee for the encroachment on public property.

Kaiser would be responsible for procuring the necessary permits and for paying the necessary permit and inspection fees before starting work, and would assume all costs for maintenance and repair of the encroachments at no cost or obligation to the City.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Mr. Nick Elsner of DPW, Kaiser has executed a street encroachment agreement and has certified that they possess the necessary insurance for the encroachment. The DPW reports that the DPW held a public hearing on August 25, 1989 on the proposed encroachment and no objections were made to the project. The DPW also reports that the Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) has approved the requested encroachment.

2. The City Planning Department, by letters dated July 18, 1989 and September 8, 1989, has declared that the proposed encroachments are in conformance with the Master Plan and are consistent with the eight priority policies of the City Planning Code Section 101.1.

3. According to Mr. Elsner, Kaiser has paid a permit processing fee of \$800. Mr. Elsner indicates that the amount of the inspection fee and other fees will be determined based on Kaiser's construction cost estimates, which have not yet been prepared.

4. As noted earlier, the Board of Supervisors would reserve the right to charge Kaiser a permit or rental fee for the encroachment on public property. According to Mr. John Roddy of the City Attorney's Office, the City Attorney, the DPW and the Real Estate Department are currently assessing the feasibility of charging rent for encroachments on public property. Once the feasibility of the rent has been established, the policy for charging such rent and the mechanism for implementing the policy would require Board of Supervisors approval before any rent for encroachment could be charged.

Recommendation: Approve the proposed resolution.

Item 8 - File 10-89-11

Department: Department of Public Works (DPW)

Item: Resolution granting a revocable permission to Barnes Construction Company to temporarily close the east sidewalk and to occupy a portion of Spring Street during the construction operations at 550 California Street (Block 240, Lot 20).

Description: The Barnes Construction Company has requested permission to temporarily close the east sidewalk and occupy a portion of Spring Street during construction and renovation operations at 550 California Street for a period of three months. Barnes Construction proposes to erect scaffolding and a manlift to serve their renovation activities. The manlift is needed because the interior elevator is undergoing extensive repairs.

The closed sections of street and sidewalk along Spring Street amount to approximately 302.5 square feet. The closure on Spring Street will not affect pedestrian access along California Street.

Barnes Construction has paid an initial deposit of \$500 for the processing of the permit, and will pay, once the permit is approved, \$3,025 for the three months of occupancy of street and sidewalk space, or \$1,008.33 per month if the duration of occupancy is less than three months (\$40 per square foot, per year).

The Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) has reviewed the request for the street and sidewalk space and has no objection to granting the use of the space. DPW reports that the proposed closure and occupancy of the additional space will not significantly interfere with the normal traffic flow on Spring and California Streets.

Comments: The building now under renovation at 550 California Street is a 14 story office building. Barnes Construction is under contract to remodel and remove asbestos from the building.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 93-89-18

Note: This item was continued at the October 2, 1989 Governmental Operations Committee meeting.

This item is a hearing to consider the Memoranda of Understanding (MOUs) between the City and the San Francisco Giants, and between the City and Spectacor Management Group.

On July 27, 1989, the Mayor signed separate MOUs with the San Francisco Giants and Spectacor Management Group regarding the implementation, financing and operation for a proposed new "downtown" Ballpark. The proposed ballpark is currently planned to be a 45,000 seat facility located on a 12.5 acre site bounded by King Street on the north, Second Street on the east, Third Street on the west and China Basin on the south. The MOU with Spectacor also addresses, although in more general terms, a proposed Arena, currently planned to be developed by Spectacor and located at Seventh and Townsend Streets.

As noted in these MOUs, the Mayor is not authorized to bind the City to these MOUs. Rather, the Mayor by signing these MOUs, has represented that he will use his Office to secure the necessary approvals in order to perform the obligations identified in these MOUs. It should also be noted that a separate MOU has been signed between the San Francisco Giants and the Spectacor Management Group. However, neither the Giants nor Spectacor have made their MOU available to the public.

The specific obligations of the MOU between the City and County of San Francisco and Spectacor Management Group are as follows:

City and County of San Francisco

Spectacor

- | | |
|---|--|
| <p>1. Acquire Site and prepare into a Developable Condition, which includes:</p> <ul style="list-style-type: none">(i) Title search(ii) Legal descriptions(iii) Topographic Surveys(iv) Property Acquisition(v) Demolition of Existing Structures(vi) Relocate Occupants(vii) Toxics - Investigation & Clean-up(viii) Site Clearance and Grading(ix) Relocate Utilities and Install to Curb(x) Relocate and Construct Roadways(xi) Zoning and Land Use Approval | <p>1. Design, develop and construct Ballpark
(estimated cost of \$95.88 million)</p> |
| <p>2. Pay for increased costs due to City's requested changes in design and construction.</p> | |

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

Spectacor

- | | |
|--|--|
| 3. Pay 1/2 of additional \$20 million cost over \$95.88 million projection | 2. Pay 1/2 of additional \$20 million cost over \$95.88 million projection |
| | 3. Pay all costs over \$115.88 million (\$95.88 million plus \$20 million) |
| 4. Loan Spectacor - \$10 million (\$1 million/yr. for 10 years @ 7.5% interest due only if lease extended after 40 yrs.) | 4. Repay City \$10 million @ 7.5% interest if Ballpark operating permit is extended 26 years after initial 40 yr. lease |
| 5. Pay Spectacor \$20 (\$2 million/yr for 10 years) | 5. Pay City 20% of "net cash flow" from Ballpark |
| 6. Assist Spectacor to obtain/issue \$50 million revenue bonds | 6. Pay all expenses associated with cost of \$50 million bond issue |
| 7. Lease Ballpark to Spectacor for 40 yrs. | 7. Exclusive right to develop Ballpark at site until December 31, 1995 or 3 years after Giants departure from Candlestick Park |
| 8. Provide security outside Ballpark | 8. Pay for uniformed police inside Ballpark @ 172% of straight-time hourly rate for events other than baseball |
| 9. Exempt and reimburse property/possessory interest taxes | 9. Pay normal and usual taxes |
| 10. Exempt Ballpark from admissions or ticket taxes | 10. Enter into sublease with Giants |
| 11. Avoid competition in pricing or scheduling events at Candlestick with the Ballpark | 11. Carry insurance coverage on Ballpark |
| 12. Will not support development of any project similar to Ballpark during term of lease | 12. Unrestricted right to sell and display advertisements at Ballpark |
| 13. Expedite and minimize cost of and applications, approvals, and environmental assessments | 13. Set the pricing of all Ballpark events related activities (i.e., rents, concessions, admissions, etc.) |

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

Spectacor

- | | |
|---|---|
| 14. Lease Arena to Spectacor for 40 years | 14 Selection of all contractors to construct and operate Ballpark and Arena at sole discretion of Spectacor |
| 15. Exempt Arena from admissions or ticket taxes | 15. Develop and construct Arena |
| 16. Provide security outside Arena | 16. Pay City \$1-/yr for rent of Arena |
| 17. Will not support development of any project similar to Arena during term of lease | 17. Pay 10% of net cash flow of Arena (in yrs. 15-40) |
| | 18. Carry insurance on Arena |
| | 19. Unrestricted right to sell and display advertisements on Arena |
| | 20. Set pricing of all Arena events and related activities (i.e. rents, concessions, admissions, etc.) |
| | 21. Exclusive right to develop Arena for five years from date City provides Arena site, or if alternative site, until December 31, 2003 |

The specific obligations of the MOU between the City and County of San Francisco and the San Francisco Giants are as follows:

City and County of San Francisco

Giants

- | | |
|--|---|
| 1. Pay any difference between police costs paid by Giants (straight-time plus administrative costs) and true costs of police inside Ballpark | Pay for off-duty San Francisco Police @ straight time plus administrative costs |
| 2. Lease Ballpark to Giants if Spectacor does not maintain lease for 40 years | |

City and County of San Francisco

Giants

3. Develop and construct 1,500 car parking structure
 - (i) 200 spaces provided free to Giants
 - (ii) 800 additional spaces
 - (a) For luxury boxes (charge to be determined later)
 - (b) Remainder free for media, VIP's, etc.
4. Provide 13,500 additional parking spaces for night games and 7,000 spaces for day games
5. Traffic and Transit Improvements
 - (i) Embarcadero Parkway
 - (ii) MUNI/Metro Turnback, Extension and Station
 - (iii) MUNI F line
 - (iv) Traffic improvements
 - (v) Pedestrian improvements
6. Prepare operations plan for traffic and traffic control near Ballpark
7. Study impact of new neighboring construction on wind and sunlight, and on parking - mitigate any impacts
8. Provide legal defense for Giants, at their request, in any challenge or action involving the proposed Ballpark

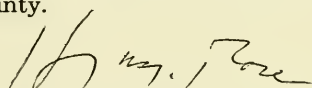
Memo to Governmental Operations Committee
October 10, 1989 Governmental Operations Committee Meeting

Under the provisions of the MOU between the City and Spectacor, Spectacor is excused from performance of the terms of the MOU if any of the various milestone events set forth in the MOU between the City and the Giants are not satisfied by specified dates. Correspondingly, the City at its option, may be excused from performance if Spectacor does not perform eight separate milestone events by stated deadlines beginning October 1, 1989, by providing an artist's rendering of the Ballpark and ending with the commencement of the ballpark's construction on January 31, 1993.

Under the provisions of the MOU between the City and the Giants, the Giants may be excused from the MOU (1) if the City under the California Environmental Quality Act, requires modifications or alternatives to the proposed Ballpark which are unacceptable to the Giants; (2) if the City fails to take necessary actions or obtain necessary approvals required to complete the Ballpark project; or (3) if the City fails to adopt an ordinance amending the Giants' existing Candlestick Park lease by October 3, 1989. Amendment of the Giants existing Candlestick Park lease is currently pending before the Board of Supervisors (File 65-89-5). The specific milestones contained in the MOU with the Giants are included in the Budget Analyst's report on that item.

Comments

As requested by the Board of Supervisors, the Budget Analyst has prepared a separate report on the downtown ballpark and arena proposals, including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
570.32
#2
10/10/89

Action Taken

C A L E N D A R
RESCHEDULED MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, OCTOBER 10 1989 - 9:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEMS 1 AND 9

CLERK: GAIL JOHNSON

1. File 263-89-1. Hearing to consider the Work Improvement Project. (Supervisor Walker)

(Continued from 10/2/89)

ACTION: Continued to October 23, 1989 meeting.

2. File 40-89-12. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "O" in the West Portal/Saint Francis Wood area and adding Nineteenth, Twentieth, Twenty-First, and Twenty-Second Avenues (between Taraval and Ulloa Streets), to the list of streets upon which time limitations shall apply. (Department of Public Works)

(Continued from 10/2/89)

ACTION: Hearing held. Continued to October 23, 1989 meeting.

3. File 65-89-6. [Lease Renewal] Ordinance authorizing negotiated month-to-month lease renewal with All Auto Dismantler's, Inc., of vacant commercial land identified as portion of Assessor's Block 5227, Lot 1, commonly known as 398 Quint Street. (Real Estate Department)

(Continued from 10/2/89)

ACTION: Recommended.

4. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and county prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 10/2/89)

ACTION: Continued to October 30, 1989 meeting.

5. File 64-89-32. [Lease of Real Property] Resolution authorizing lease of real property at 1155 Market Street for the Employees' Retirement System's Workers' Compensation Division and the Health Service System. (Real Estate Department)

ACTION: Recommended.

DOCUMENTS DEPT.

OCT 17 1989

SAN FRANCISCO
PUBLIC LIBRARY

6. File 146-89-55. [County Health Services Plan and Budget] Resolution authorizing adoption of the County Health Services Plan and Budget for the 1989-90 Fiscal Year, application for allocation of \$60,971,817 in funds from the County Health Services Fund of the State and execution of the agreement with the State Director of Health Services; and to accept and expend funds allocated from the County Health Services Fund for the County Health Services Plan and Budget of the City and County of San Francisco. (Department of Public Health)

ACTION: Recommended.

7. File 10-89-10. [Permit] Resolution granting revocable permission to Kaiser Foundation Hospital to install one 36" underground conduit for a microwave communication system under St. Joseph's Avenue, south of Geary Boulevard, connecting Assessor's Block 1095, Lot 5 and Block 1098, Lot 50 and to install one underground PG&E vault under the west side of St. Joseph's Avenue fronting Assessor's Block 1095, Lot 5; and adopting findings pursuant to City Planning Code Section 101.1. (Department of Public Works)

ACTION: Recommended.

8. File 10-89-11. [Permit] Resolution granting revocable permission to Barnes Construction Company to temporarily close the east sidewalk and to occupy a portion of Spring Street during the construction operations at 550 California Street (Block 240, Lot 20). (Department of Public Works)

ACTION: Recommended.

SPECIAL ORDER - 10:00 A.M.

9. File 93-89-18. Hearing to consider memorandums of understanding signed by the Mayor and the San Francisco Giants and the Mayor and Spectacor Management Group. (Supervisors Walker, Gonzalez)

(Continued from 10/2/89)

ACTION: Hearing held. Continued to October 16, 1989 meeting.

CE
590.32
3
1/10/89
CITY AND COUNTY



*Public Library
Documents Section
(Study retained -
Rm. 235)*
OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT.

October 12, 1989

SAN FRANCISCO
OCT 12 1989

TO: Governmental Operations Committee

FROM: Budget Analyst

SUBJECT: October 16, 1989 Governmental Operations Committee Meeting

Item 1 - File 93-89-18

Note: This item was continued at the October 10, 1989 Governmental Operations Committee meeting.

This item is a hearing to consider the Memoranda of Understanding (MOUs) between the City and the San Francisco Giants, and between the City and Spectacor Management Group.

On July 27, 1989, the Mayor signed separate MOUs with the San Francisco Giants and Spectacor Management Group regarding the implementation, financing and operation for a proposed new "downtown" ballpark. The proposed ballpark is currently planned to be a 45,000 seat facility located on a 12.5 acre site bounded by King Street on the north, Second Street on the east, Third Street on the west and China Basin on the south. The MOU with Spectacor also addresses, although in more general terms, a proposed arena, currently planned to be developed by Spectacor and located at Seventh and Townsend Streets.

As noted in these MOUs, the Mayor is not authorized to bind the City to these MOUs. Rather, the Mayor by signing these MOUs, has represented that he will use his Office to secure the necessary approvals in order to perform the obligations identified in these MOUs. It should also be noted that a separate MOU has been signed between the San Francisco Giants and the Spectacor Management Group. However, neither the Giants nor Spectacor have made their MOU available to the public.

The specific obligations of the MOU between the City and County of San Francisco and Spectacor Management Group are as follows:

City and County of San Francisco

Spectacor

- | | |
|--|--|
| 1. Acquire Site and prepare into a Developable Condition, which includes: <ul style="list-style-type: none">(i) Title search(ii) Legal descriptions(iii) Topographic Surveys(iv) Property Acquisition(v) Demolition of Existing Structures(vi) Relocate Occupants(vii) Toxics - Investigation & Clean-up(viii) Site Clearance and Grading(ix) Relocate Utilities and Install to Curb(x) Relocate and Construct Roadways(xi) Zoning and Land Use Approval | 1. Design, develop and construct ballpark
(estimated cost of \$95.88 million) |
| 2. Pay for increased costs due to City's requested changes in design and construction. | |
| 3. Pay 1/2 of additional \$20 million cost over \$95.88 million projection | 2. Pay 1/2 of additional \$20 million cost over \$95.88 million projection |
| 4. Loan Spectacor - \$10 million (\$1 million/yr. for 10 years @ 7.5% interest due only if lease extended after 40 yrs.) | 3. Pay all costs over \$115.88 million (\$95.88 million plus \$20 million) |
| 5. Pay Spectacor \$20 (\$2 million/yr for 10 years | 4. Repay City \$10 million @ 7.5% interest if ballpark operating permit is extended 26 years after initial 40 yr. lease |
| 6. Assist Spectacor to obtain/issue \$50 million revenue bonds | 5. Pay City 20% of "net cash flow" from ballpark |
| 7. Lease ballpark to Spectacor for 40 yrs. | 6. Pay all expenses associated with cost of \$50 million bond issue |
| | 7. Exclusive right to develop ballpark at site until December 31, 1995 or 3 years after Giants departure from Candlestick Park |

City and County of San Francisco

Spectacor

- | | |
|--|---|
| 8. Provide security outside ballpark | 8. Pay for uniformed police inside ballpark @ 172% of straight-time hourly rate for events other than baseball |
| 9. Exempt and reimburse property/possessory interest taxes | 9. Pay normal and usual taxes |
| 10. Exempt ballpark from admissions or ticket taxes | 10. Enter into sublease with Giants |
| 11. Avoid competition in pricing or scheduling events at Candlestick with the ballpark | 11. Carry insurance coverage on ballpark |
| 12. Will not support development of any project similar to ballpark during term of lease | 12. Unrestricted right to sell and display advertisements at ballpark |
| 13. Expedite and minimize cost of and applications, approvals, and environmental assessments | 13. Set the pricing of all ballpark events related activities (i.e., rents, concessions, admissions, etc.) |
| | 14. Selection of all contractors to construct and operate ballpark and Arena at sole discretion of Spectacor |
| 14. Lease arena to Spectacor for 40 years | 15. Develop and construct arena |
| | 16. Pay City \$1-/yr for rent of arena |
| | 17. Pay 10% of net cash flow of arena (in yrs. 15-40) |
| | 18. Carry insurance on arena |
| 15. Exempt arena from admissions or ticket taxes | 19. Unrestricted right to sell and display advertisements on arena |
| 16. Provide security outside arena | 20. Set pricing of all arena events and related activities (i.e. rents, concessions, admissions, etc.) |
| 17. Will not support development of any project similar to arena during term of lease | 21. Exclusive right to develop arena for five years from date City provides Arena site, or if alternative site, until December 31, 2003 |

The specific obligations of the MOU between the City and County of San Francisco and the San Francisco Giants are as follows:

City and County of San Francisco

Giants

- | | |
|---|--|
| <ol style="list-style-type: none">1. Pay any difference between police costs paid by Giants (straight-time plus administrative costs) and true costs of police inside ballpark2. Lease ballpark to Giants if Spectacor does not maintain lease for 40 years3. Develop and construct 1,500 car parking structure<ol style="list-style-type: none">(i) 200 spaces provided free to Giants(ii) 800 additional spaces<ol style="list-style-type: none">(a) For luxury boxes (charge to be determined later)(b) Remainder free for media, VIP's, etc.4. Provide 13,500 additional parking spaces for night games and 7,000 spaces for day games5. Traffic and Transit Improvements<ol style="list-style-type: none">(i) Embarcadero Parkway(ii) MUNI/Metro Turnback, Extension and Station(iii) MUNI F line(iv) Traffic improvements(v) Pedestrian improvements6. Prepare operations plan for traffic and traffic control near ballpark | <p>Pay for off-duty San Francisco Police @ straight time plus administrative costs</p> |
|---|--|

City and County of San Francisco

Giants

7. Study impact of new neighboring construction on wind and sunlight, and on parking - mitigate any impacts
8. Provide legal defense for Giants, at their request, in any challenge or action involving the proposed ballpark

Under the provisions of the MOU between the City and Spectacor, Spectacor is excused from performance of the terms of the MOU if any of the various milestone events set forth in the MOU between the City and the Giants are not satisfied by specified dates. Correspondingly, the City at its option, may be excused from performance if Spectacor does not perform eight separate milestone events by stated deadlines beginning October 1, 1989, by providing an artist's rendering of the ballpark and ending with the commencement of the ballpark's construction on January 31, 1993.

Under the provisions of the MOU between the City and the Giants, the Giants may be excused from the MOU (1) if the City under the California Environmental Quality Act, requires modifications or alternatives to the proposed ballpark which are unacceptable to the Giants; (2) if the City fails to take necessary actions or obtain necessary approvals required to complete the ballpark project; or (3) if the City fails to adopt an ordinance amending the Giants' existing Candlestick Park lease by October 3, 1989. Amendment of the Giants existing Candlestick Park lease was approved by the Board of Supervisors on October 10, 1989 (File 65-89-5). The specific milestones contained in the MOU with the Giants are included in the Budget Analyst's report on that item.

Comments

1. As requested by the Board of Supervisors, the Budget Analyst has prepared a separate report on the downtown ballpark and arena proposals, including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County.

2. At the October 10, 1989 Governmental Operations Committee meeting the City Attorney was directed to draft resolutions regarding the MOUs for the Board of Supervisors. As of the writing of this report, the resolutions were not available for review.

3. At the October 10, 1989 Governmental Operations Committee meeting, the Controller was directed to respond to the Committee regarding the Mayor and the Budget Analyst's reports on the financial implications of the ballpark in relation to the information provided in the Proposition P ballot document. The Budget Analyst met with the Controller and a representative from the Mayor's Office to discuss these issues.

Item 2 - File 62-89-9

Department: Airports Commission

Item: Ordinance approving a five-year lease between ABC Cigar Co., and the City and County of San Francisco.

Description: The proposed five-year lease agreement would provide 2,049 square feet of retail space in the Airport's North Terminal (Boarding Area F) to ABC Cigar Co. for an international theme concession, which would offer merchandise from various countries. The lease would begin 120 days after the Mayor's approval of the lease. The proposed lease would provide that the tenant pay an annual rent of either 20 percent of gross revenues or a minimum annual rent, whichever is greater.

The Airports Commission received three bids, with ABC Cigar Co. offering the highest bid of a minimum annual rent of \$418,250, or a total of \$2,091,250 over the five-year lease term. The space, which was previously leased by Eastern Airlines for use as a waiting room, has been vacant since August, 1988. The Airport has not collected rent for the space since August, 1988.

The three bids received are as follows:

<u>Bidder</u>	<u>Minimum Annual Rent Bid</u>
ABC Cigar Co.	\$418,250 *
Host International	171,000
Advanced Trading Co.	150,000

* High Bid

Comments: 1. The award of the proposed lease to ABC Cigar Co. was approved by the Airports Commission at its meeting on September 5, 1989. Under the new MBE/WBE ordinance, preferences are no longer given for MBE/WBE firms bidding for concession leases.

2. The Human Rights Commission has approved the ABC Cigar Co.'s employee workforce plan.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - File 64-89-33

Department: Real Estate Department
Controller's Office, Information Services Division (ISD)

Item: Resolution to authorize a new lease.

Location: 1155 Market Street, 10th floor and portion of 6th floor.

Purpose of Lease: Office and Computer Space for ISD plus classroom and training space for the End-User Computing Training Program.

Lessor: Continental Savings of America

No. of Sq. Ft. and Cost/Month: 14,066 sq. ft. @ \$1.00/sq. ft./mo. = \$14,066 per month

Annual Cost: \$168,792

% Decrease Over Present Lease: 11%. The Controller's Office is currently paying \$190,633 annually for leases at two sites: \$97,780 for 5,779 sq. ft. @ 1212 Market Street and \$92,853 for 4,525 sq. ft. @ 110 McAllister St.

Utilities and Janitor Provided by Lessor: Yes, except for electricity.

Term of Lease: Five-year lease from December 1, 1989 to November 30, 1994 unless funds for rental payments are not appropriated in any subsequent fiscal year, at which time the City may terminate the lease with ninety days prior written notice to the Lessor.

Source of Funds: 1989-1990 Budget

Comments:

1. Information Services Division is currently paying \$1.41/sq.ft./mo. at its location at 1212 Market Street and \$1.71/sq.ft./mo. at its 110 McAllister Street location. The rate at the proposed location would be \$1.00/sq.ft./mo.
2. The proposed location at 1155 Market Street would contain 14,066 sq.ft. on two floors and would represent 36% additional space over the existing facility.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The additional space, according to Ms. Judy Johnston of the Controller's Office, would make space available for 20 budgeted but vacant positions which ISD plans to begin filling after moving into the new offices. The new space would also include classroom and training space for an expanded End-User Computing Training Program. The Training Program teaches City employees how to use various mini computers and office automation systems.

4. According to Ms. Johnston, the Controller's Office has budgeted funds for moving expenses and no supplemental funds would be needed.

5. There are currently 51 ISD employees at 1212 Market Street occupying 113 sq.ft./employee. There are 24 ISD employees at 110 McAllister St. occupying 188 sq.ft./employee. With the addition of 20 employees, for a total of 95, there would be 148 sq.ft./employee at the proposed location.

6. The City would pay electricity costs at the new location. According to Mr. Gerald Romani of the Real Estate Department, these costs are estimated at \$0.035/ft./mo., or \$0.42 /ft./year. The total annual cost for such electricity costs would be \$5,908.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 16, 1989 Governmental Operations Committee Meeting

Item 4 - File 68-89-11

Department: Mayor's Criminal Justice Council (MCJC)

Item: Resolution authorizing the Mayor to apply for, accept and expend State grant funds.

Amount: \$197,709

Source of Grant: Office of Traffic Safety

Grant Period: October 1, 1989 through September 30, 1992

Grant Project: Bay Area Coalition/Driving Under the Influence Project

Description: The MCJC currently operates a Driving Under the Influence Project which focuses on coordinating public and private sector agencies to reduce drunk driving in San Francisco. The National Highway Traffic Safety Administration (NHTSA) previously identified the City's efforts as a model program for reducing drunk driving and proposed that the City expand its efforts to work with the public and private sectors around the Bay Area including the hospitality industry, bars, hotels, taxicabs, and sports and entertainment arenas. As a result, on August 30, 1989 the Board of Supervisors authorized MCJC to apply for, accept and expend a grant from NHTSA for \$25,000 per year over the three years of this grant period. The proposed resolution would allow the MCJC to apply for additional funds for personnel and other costs for the program.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
 October 16, 1989 Governmental Operations Committee Meeting

Grant Budget:

Fiscal Year

	10/1/89- <u>9/30/90</u>	10/1/90- <u>9/30/91</u>	10/1/91- <u>9/30/92</u>	<u>Total</u>
<u>Personnel</u>				
Director	\$38,953	\$41,151	\$19,229	\$99,333
Asst. Director	15,979	17,528	2,077	35,584
Fringe Benefits	2,505	2,676	972	6,153
Interns (\$6.50/hr. 25 hrs./wk)	<u>8,450</u>	<u>8,450</u>	<u>4,225</u>	<u>21,125</u>
Subtotal - Personnel	\$65,887	\$69,805	\$26,503	\$162,195
<u>Operating Costs</u>				
Telephone	\$1,500	\$1,500	\$ 750	\$3,750
Postage	1,200	1,200	600	3,000
Stationery, Supplies	500	500	100	1,100
Seminars	800	800	200	1,800
Insurance	200	200	100	500
Travel Expense	<u>3,000</u>	<u>3,000</u>	<u>1,000</u>	<u>7,000</u>
Subtotal - Operating	\$7,200	\$7,200	\$2,750	\$17,150
<u>Administrative Cost</u>	3,742	3,943	1,497	9,182
<u>Indirect Costs</u>				
Controller's Admin. Costs (5.12% of actual project costs)	<u>3,742</u>	<u>3,943</u>	<u>1,497</u>	<u>9,182</u>
Total	\$80,571	\$84,891	\$32,247	\$197,709

Indirect Costs: 5.12% of actual project costs

Required Match: None

Comment: Ms. Jo Anne Sanzeri of the MCJC states that the State grant funds will allow the project to continue its expanded efforts. These efforts benefit the City because many of the drunk drivers that are apprehended in San Francisco reside in other Bay Area cities. Ms. Sanzeri also states that under the grant program, the State will fund the program for three years, funding 100% in each of the first two years and 50% in the third year. Ms. Sanzeri explains that if alternative sources are not available in 1991-1992 to supplement the State grant, the program will be terminated earlier.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 97-89-45

Department: Public Works
Purchasing

Item: The proposed ordinance would amend Chapter 6 and Chapter 21 of the City's Administrative Code by adding Sections 6.29.-1., 6.29.-2., 21.11.-1. and 21.11.-2. to raise from \$50,000 to \$10 million the threshold level under Charter Section 7.200 which prescribes procedures for the award of public works and purchasing contracts. Contracts in excess of \$10 million would be awarded in accordance with the provisions of Charter Section 7.200 except that the provisions of Chapter 12D of the Administrative Code, relating to Minority/Women/Local Business preferences would not be applicable.

Description: Presently, Charter Section 7.200 sets the level, currently at \$50,000 or above, which establishes the requirements for the award to outside contractors of public works and purchasing contracts in lieu of accomplishing the work on an in-house Civil Service basis. However, the Board of Supervisors has authority to increase or decrease the threshold level by ordinance. For contracts below \$50,000, the work can be completed directly by the City's in-house Civil Service staff.

For expenditures in excess of \$50,000, the contracts must be competitively awarded to the lowest responsible and reliable bidder. Contracts for the purchase of supplies must be signed by the Purchaser of Supplies and the Chief Administrative Officer. Public works contracts must be signed by the department head and the Chief Administrative Officer or by the signature of the department head and the approval by resolution of the board or commission concerned for departments not under the Chief Administrative Officer.

The proposed ordinance would raise the threshold level for Charter Section 7.200 from \$50,000 to \$10 million and require that construction and purchasing contracts in excess of \$50,000 and less than \$10 million be awarded in accordance with the provisions of Charter Section 7.200 and the appropriate sections of the Administrative Code, including Chapter 12D. Presently, all contracts are subject to the MBE/WBE/LBE provisions of Chapter 12D. However, under the proposed legislation, construction and purchasing contracts in excess of \$10 million would not be applicable to the MBE/WBE/LBE preference provisions of Chapter 12D.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Ms. Mara Rosales of the City Attorney's Office, the proposed ordinance is necessary to answer legal questions raised by recent court decisions. The proposed ordinance would make explicit the applicability of the Chapter 12D MBE/WBE/LBE preference provisions for contracts between \$50,000 and \$10 million and would make contracts over \$10 million exempt from the Minority/Women/Local Business preferences contained in Chapter 12D of the Administrative Code.

2. The enactment of this proposed ordinance would have little affect on the ability of MBE/WBE/LBE firms to compete for City contracts since, according to Mr. Gerald Costanzo of the Department of Public Works, only one of the City's 96 construction contracts since July 1, 1988 exceeded \$10 million. According to Jim Breslin of the Purchasing Department, of the \$300 million in purchasing contracts awarded over the last four years, no individual contract has exceeded \$10 million.

3. The Budget Analyst has noted that by changing the threshold level from \$50,000 to \$10 million, the proposed ordinance would have the unintended affect of permitting public works and purchasing contracts under \$10 million to be accomplished in-house without the necessity of being competitively bid. Presently public works and purchasing contracts in excess of \$50,000 must be competitively bid. The City Attorney's Office acknowledges that the proposed ordinance should be amended to clarify that the raising of the threshold level from \$50,000 to \$10 million should not change the requirement that public works and purchasing contracts in excess of \$50,000 be competitively bid.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, the Budget Analyst recommends that the proposed ordinance be amended to include language in order to clarify that public works and purchasing contracts in excess of \$50,000 still must be competitively bid.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 6 - File 106-89-6

1. The proposed resolution would authorize the Civil Service Commission to expend previously budgeted funds to conduct the salary survey for salary standardization for fiscal year 1990-91.

2. Salary Standardization Procedure

The Civil Service salary standardization procedure with respect to miscellaneous positions operates under the general guidelines of Section 8.401 of the City Charter. This Section provides that City and County miscellaneous employees be paid "...in accord with the generally prevailing rates of wages for like service and working conditions in private employment or in other comparable governmental organizations in this state." Section 8.407 applies to all employees covered by Section 8.401 and provides a set procedure and a mathematical formula by which wages for those employees will be set. The procedure requires that data on wages paid for comparable employment be collected from five Bay Area counties (Marin, San Mateo, Santa Clara, Alameda and Contra Costa), from the ten most populous cities in those counties, from other public jurisdictions in the Bay Area (including the State and Federal governments), and from the private sector. Should Civil Service staff determine that insufficient data exist, out-of-Bay Area data may be acquired, provided that the jurisdiction surveyed employs 3,000 or more persons.

Section 8.407 provides the basis for the wage and salary survey conducted to establish wage rates for miscellaneous City and County employees. The survey is based on "benchmark" classes which are considered to be key classes within occupational groupings. Survey data on wages and salaries are collected for positions judged comparable to the benchmark classes in other jurisdictions and in the private sector. If the prevailing wage as determined by the survey is above the wage paid by the City and County, a wage increase for the affected class is warranted; if the prevailing wage is below that paid by the City and County, no wage increase is warranted. In general, if the benchmark class is recommended for an increase, all classes tied to the benchmark class will be recommended for a corresponding increase; if the benchmark class is not recommended for an increase, none of the classes tied to that benchmark class will be recommended for a wage increase.

Subsequent to releasing the preliminary salary survey, notices are distributed to employees and employee groups regarding the procedure for requesting adjustments to the recommendations. These internal adjustment requests are analyzed by the Civil Service Commission. Where appropriate, internal salary adjustments over those indicated by the survey are incorporated into the salary recommendations. The amended recommendations are made available at a public hearing after which they are submitted to the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Commission updates the salary survey each year in an effort to comply with the Charter's provision (contained in Section 8.407) that salaries be set in accordance with the "prevailing rates" in other jurisdictions. The Charter does not require the survey update. For purposes of setting the salaries for San Francisco employees, however, the Civil Service Commission has defined "prevailing rate" as that rate effective July 1 of the corresponding fiscal year in other jurisdictions. With this definition, the preliminary survey must be updated after the July 1 salaries in other jurisdictions have been determined. In a letter of opinion dated February 16, 1977, the City Attorney concurred with the concept of using July 1 salaries as the "prevailing rate" for purposes of setting San Francisco salaries.

3. Charter Section 8.401 governs in part the method of setting salaries for positions within the City and County and provides the following:

"Not later than January 15th, 1944 and every five years thereafter and more often if in the judgement of the Civil Service Commission or the Board of Supervisors economic conditions have changed to the extent that revision of existing schedules may be warranted in order to reflect current prevailing conditions, the Civil Service Commission shall prepare and submit to the Board of Supervisors a schedule of compensation as in this section provided."

4. The following is a tabulation of general increases in salaries since the updated salary survey for fiscal year 1989-90 in the majority of the public jurisdictions from which the Civil Service Commission collect salary data under the provisions of the Charter:

Public Jurisdictions
Salary Increases Since March, of 1989

Marin County	6.0
Contra Costa County	0%
Alameda County	5.0%
Santa Clara County	5.0%
San Mateo County	0%
State of California	6.0%
City of San Jose	4.0%
City of Oakland	2.0%

The Bureau of Labor Statistics (BLS) has reported an approximate average 5.5% annual increase in wages in private employment in the greater Bay Area during the past year through June of 1989.

5. Mr. Pat Finney of the Civil Service Commission reports that the increases since March of 1989 would result in increases for the City's miscellaneous employees of approximately 3%. The Civil Service Commission finds that a review of the tabulation of Bay Area salary increases and BLS certifications has disclosed that increases in salaries in other jurisdiction are sufficiently significant to warrant a salary survey of public jurisdictions and private employment in order to make salary recommendations for fiscal year 1990-91.

Comment

This will be the seventh year in which the private sector portion of the salary survey will be provided by contract through the State Personnel Board with the Joint Powers Agency consisting of the City of Anaheim, Hayward Unified School District, County of Sacramento, Sacramento Utilities District, and the County of Sonoma. (Charter Sections 8.401 and 8.407 require the Commission to collect such data from "recognized governmental Bay Area salary and wage surveys of private employers...") Commission staff report that the cost of the contract with the Joint Powers Agency will be \$76,000. The Commission's 1989-90 budget for all Charter-required surveys, including uniformed members of the Police and Fire Departments, Registered Nurses and Transit Operators as well as miscellaneous employees, totals \$85,868.

Funds in the amount of \$9,868 would be used to staff field work, mail questionnaires, telephone use including long distance calls, printed forms and salary survey books, additional printing costs associated with the salary standardization ordinances and follow-up contacts with surveyed agencies. The remaining \$76,000 would be available for the Joint Powers Agency survey. Mr. Jeff Rothman of the Civil Service Commission reports that the use of the Joint Powers Agency is the most cost effective method of conducting the private sector portion of the required survey. As previously indicated, the Board of Supervisors has approved the funds (\$85,868) in the 1989-90 budget to conduct the proposed salary survey.

Recommendation

Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 7 - File 107-89-11

Department: Department of Social Services (DSS)

Item: Resolution authorizing the execution of an agreement between the City and County of San Francisco and the State of California Department of Social Services for the purposes of assuring the availability of reimbursement to the City and County by the Secretary of Health and Human Services for the interim assistance paid to Supplemental Security Income/State Supplementary Program (SSI/SSP) applicants.

Description: This resolution would authorize the execution of an Interim Assistance Reimbursement agreement (IAR) between the State of California's Department of Social Services and the City and County of San Francisco that would provide reimbursement to the City and County for General Assistance payments made to SSI applicants during the period in which the SSI application is pending.

Currently, DSS receives Interim General Assistance reimbursements from the State only if DSS knows about the client's SSI/SSP application and DSS notifies the State that a DSS client has applied for General Assistance in addition to SSI/SSP. For example, if the DSS client informs DSS that they have applied for SSI/SSP, DSS directs the client to fill out an authorization form which allows DSS to deduct any Interim General Assistance payments from the initial SSI/SSP payment, once the initial SSI/SSP payment is paid by the State to DSS. DSS then informs the State, with a copy of the authorization, that the client is receiving Interim General Assistance while their SSI/SSP application is being processed. This form is required by the State in order for DSS to receive reimbursement for the Interim General Assistance paid to the client. Once the SSI/SSP application is approved, the State DSS sends DSS the initial SSI/SSP payment, which is paid retroactive to the date of the application. DSS deducts the amount of Interim General Assistance payments made to the applicant and sends the balance to the applicant.

BOARD OF SUPERVISORS
BUDGET ANALYST

Under the new agreement, DSS would include the authorization form as part of the General Assistance application packet and require the client to complete the form, whether or not they have applied for SSI/SSP. DSS would then notify, by automated process, the State of those clients that have completed the authorization form. The State will automatically send to DSS the initial SSI/SSP payment for those individuals whose SSI/SSP applications were approved. With this new process, DSS would receive increased reimbursements from SSI/SSP because all General Assistance applicants will have completed the SSI/SSP authorization form, thus ensuring that DSS will be reimbursed for all Interim General Assistance payments made to those applicants whose SSI/SSP applications have been approved.

DSS has had an Interim Reimbursement Agreement with the State since 1984. DSS has reported that the contract has been automatically renewed each year, effective each July 1. Due to changes in federal policy and regulations, the agreement would be revised in accordance with the proposed legislation.

Comment:

This new agreement allows DSS to seek reimbursement from the State for GA payments made to DSS clients whose SSI/SSP applications are pending. DSS reports that the County of Los Angeles has implemented a similar program that has resulted in a doubling of General Assistance reimbursements to Los Angeles County. DSS expects its General Assistance reimbursements to increase by an undetermined amount. In 1988-89, \$2,583,771 was reimbursed by the State to the County for General Assistance payments made in lieu of SSI/SSP payments while the applications were pending. DSS anticipates that, in 1989-90, reimbursements by the State to the County will exceed the \$2,583,771 received during 1988-89 because the new program made by DSS will ensure that all General Assistance payments made by DSS will be reimbursed by the State to DSS as SSI/SSP payments are approved by the State for the SSI/SSP applicants.

Recommendation: Approve the proposed resolution.

Memo to Governmental Operations Committee
October 16, 1989 Governmental Operations Committee Meeting

Item 8 - File 147-89-4

Department: Library

Item: Resolution authorizing the City Librarian to apply for, accept and expend new State grant funds.

Amount: Not to exceed \$30,000

Source of Funds: California State Library - Library Services and Construction Act Funds

Term of Grant: October 1, 1989 through September 30, 1990

Project Description: The San Francisco Public Library has an extensive collection of early 20th-century popular sheet music for voice and piano. According to the Library, this collection is one of few such collections in the State of California and is extensively used for recreational enjoyment by senior citizens, and by professional musicians, scholars and cultural historians.

Currently, this collection of sheet music is organized by year or decade of composition and bound together by the Library. Individual selections of sheet music are difficult to locate and can be accessed by title only. The proposed State grant funds would be used to accomplish the following objectives; (1) to catalog 2,250 titles of the sheet music by composer, lyricist, subject and text incipit (first line) and input this information into the Library's computer cataloging system; (2) to make these individual selections of sheet music accessible to library patrons in San Francisco and throughout the State for reference and interlibrary loan. This latter objective would be accomplished by accessing the Library's computer networking system which links the San Francisco Library with other libraries throughout the State.

Project Budget:	<u>Personnel</u>	
	Library Technical Assistant I (.5 FTE)	\$14,505
	Benefits	<u>4,061</u>
	Subtotal	\$18,566
	<u>Operating Expense</u>	
	Computer Time	1,730
	Materials and Supplies	<u>200</u>
	Subtotal	1,930

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 16, 1989 Governmental Operations Committee Meeting

<u>Indirect Costs</u>	<u>\$1,025</u>
Total	\$21,521

Required Match: None

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 186-89-23

Department: Department of Public Health

Item: Resolution approving a waiver from the State's Schedule of Maximum Allowances for the U.C. Center on Deafness.

Description: This resolution would approve a waiver from the State's Schedule of Maximum Allowances for the U.C. Center on Deafness, and allow the Center to request reimbursement from the State for its actual costs.

The Center on Deafness is a regional program which provides intensive mental health services to adults and children who are deaf. Counties participating in the program include Alameda, Contra Costa, Marin, San Mateo and San Francisco. In 1982, the State requested that the San Francisco Mental Health Department take over the administration of this program in order to facilitate admissions and reduce the administrative costs of the program.

The State reimburses the Center according to the unit costs for services provided to deaf children and adults, and determines a maximum allowance for these unit costs of the program. The State has determined that unit costs for two of three cost categories maintained by the Center do not fall within the State's maximum allowances. The Center's actual unit costs and the State's maximum allowances are compared below:

<u>Cost Center</u>	<u>UC Center on Deafness Actual Cost</u>	<u>Maximum Allowance</u>	<u>Over (Under) Maximum Allowance</u>
Individual Services	\$94.21	\$95.20	(\$.99)
Collateral and Assessment Services	93.44	75.44	18.00
Assessment Rate for Center	194.96	142.69	52.27

DPH reports that the Center's costs are higher because the Center uses specially trained clinicians, provides educational and vocational services and provides for outpatient services through its satellite clinics located outside of San Francisco County. These services are not provided in other Mental Health Centers, and as such, the State has recognized the highly specialized nature of the Center.

BOARD OF SUPERVISORS
BUDGET ANALYST

The State has in the past approved the waiver for this program as part of the Short-Doyle Plan, which is an allocation plan for State mental health funding. This year, the State requests a separate resolution from the Board of Supervisors in order to expedite the waiver process, as approval of the County's Short-Doyle Allocation Plan will not occur until the spring of next year. Approval of the waiver will allow the County to receive reimbursements from the State equal to the actual costs of the program.

Recommendation: Approve the proposed resolution.

Item 10 - File 186-89-24

1. The proposed resolution would authorize an agreement between the Department of Public Health (DPH), Division of Mental Health, Substance Abuse and Forensic Services and various designated hospitals, pursuant to Sections 5150 and 5250 of the Welfare and Institutions Code. This agreement is for the purpose of identifying responsibilities of designated hospitals in serving individuals who require acute inpatient care and for authorizing the DPH to enter into agreements with those hospitals that are designated as 72-hour Evaluation and 14 - day Intensive Treatment Facilities.

2. To provide continuity of care for acute inpatient psychiatric patients, the City is required to designate approved 72-hour Evaluation and 14-day Intensive Treatment Hospitals on an annual basis. The proposed resolution would specify continuity of care agreements for fiscal year 1989-90 between the following hospitals and the DPH:

Pacific Medical Center
Mt. Zion Hospital and Medical Center
Mt. Zion Crisis Services
San Francisco General Hospital
St. Mary's Hospital and Medical Center,
St. Francis Memorial Hospital
Langley Porter Psychiatric Institute
St. Luke's Hospital
Seton Medical Center

The effective date of these agreements will be July 1, 1989 through June 30, 1990. In so designating these hospitals, the DPH would authorize staff within those hospitals to provide care which is reimbursable from the federal and state governments to the hospitals. In addition, the DPH would maintain a committee to deal with hospital-related issues such as quality assurance, length of stay and coordination of services.

Comments

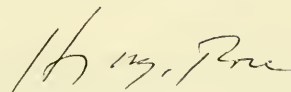
1. According to DPH, the designation of such hospitals by the proposed resolution allows federal and state reimbursements for the care provided by the hospitals, under the Short Doyle Act. It does not obligate the City to pay for any services provided by the hospitals. Any costs to be paid by the City for services provided by these hospitals would be in accordance with separate agreements between the City and the individual hospitals.

2. Continuity of service would also be provided in that the designated hospitals for fiscal year 1989-90 were also the same hospitals designated as 72-hour Evaluation and 14-day Intensive Treatment facilities for Fiscal Year 1988-89. However, the designation for Fiscal Year 1989-90 includes Mt. Zion Crisis Services, which was not included last year.

BOARD OF SUPERVISORS
BUDGET ANALYST

Recommendation

Approve the proposed resolution.

A handwritten signature in dark ink, appearing to read "H. M. Rose", is written above the printed name.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

SF
S90.32
2
10/16/89

Actions
Taken

CALENDAR
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

NOV 1 1989

SAN FRANCISCO
PUBLIC LIBRARY

MONDAY, OCTOBER 16 1989 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

CLERK: GAIL JOHNSON

1. File 93-89-18. Hearing to consider memorandums of understanding signed by the Mayor and the San Francisco Giants and the Mayor and Spectacor Management Group. (Supervisors Walker, Gonzalez)

(Continued from 10/10/89)

ACTION: Hearing held. Continued to October 23, 1989 meeting.

File 93-89-18.1. Resolution, as presented by Supervisor Gonzalez, prepared in Committee. Continued to October 23, 1989 meeting. New title: "Declaring policy of the San Francisco Board of Supervisors not to approve appropriations of City funds to implement the memoranda of understanding between the City and County of San Francisco and the Giants and the City and County of San Francisco and Spectacor Management Group unless certain changes are included in the memoranda of understanding." Add Supervisor Walker as co-sponsor.

2. File 62-89-9. [Airport-Concession Lease] Ordinance approving "Pacific Bazaar Lease" between ABC Cigar Co. and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

3. File 64-89-33. [Lease of Real Property] Resolution authorizing lease of real property at 1155 Market Street, for Controller's Office, Information Services Division (ISD). (Real Estate Department)

ACTION: Continued to November 6, 1989 meeting.

4. File 68-89-11. [Grant - State Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend grant funds in the amount of \$197,709 from the California Office of Traffic Safety for a project entitled the Bay Area Coalition/Driving Under the Influence Project for a thirty-six month period beginning October 1, 1989 through September 30, 1992. (Mayor)

ACTION: Recommended.

5. File 97-89-45. [Contracts, \$50,000 - \$10 million] Ordinance amending Administrative Code by adding Sections 6.29-1, 6.29-2, 21.11-1 and 21.11-2 raising from \$50,000 to \$10 million the threshold level for Charter Section 7.200 prescribed procedures for the award of public works and purchasing contracts; requiring that public works contracts in excess of \$50,000 and not exceeding \$10 million be awarded in accordance with the procedures of the Administrative Code, including Chapter 12D. (Supervisor Kennedy)

ACTION: Hearing held. Amendment of the Whole adopted. Continued to October 23, 1989 meeting. New title: "Amending Administrative Code by adding Sections 6.29-1, 6.29-2, 21.11-1 and 21.11-2 raising from \$50,000 to \$10 million the dollar amount specified in Paragraph 3 of Charter Section 7.200 for the award of public works and purchasing contracts; requiring that public works and purchasing contracts in excess of \$50,000 and not exceeding \$10 million be awarded in accordance with the procedures of the Administrative Code, including Chapter 12D."

6. File 106-89-6. [Salary and Wage Division] Resolution authorizing Civil Service Commission to expend funds to conduct the 1990-91 Salary Survey. (Civil Service Commission)

ACTION: Recommended.

7. File 107-89-11. [Contract] Resolution authorizing the execution of an agreement between the City and County of San Francisco and the State of California Department of Social Services for the purpose of assuring the availability of reimbursement to the City and County by the Secretary of Health and Human Services for the interim assistance paid to SSI/SSP applicants. (Department of Social Services)

ACTION: Recommended.

8. File 147-89-4. [Grant - State Funds] Resolution authorizing the City Librarian to apply for, accept and expend Library Services and Construction Act Funds in an amount not to exceed \$30,000 to support cataloging 2,250 popular music titles in machine-readable form. (Public Library Commission)

ACTION: Recommended.

9. File 186-89-23. [University of California Regents Center on Deafness] Resolution approving a waiver from the State's Schedule of Maximum Allowances for the U.C. Center on Deafness. (Department of Public Health)

ACTION: Recommended.

10. File 186-89-24. [Agreement] Resolution designating 72-Hour Evaluation and 14-Day Intensive Treatment Facilities, pursuant to the Welfare and Institutions Code 5150 and 5250 et seq., and specifying the responsibilities of such facilities as specified by San Francisco Community Mental Health Services. The authorized facilities are: Pacific Medical Center, Mt. Zion Hospital and Medical Center, Mt. Zion Crisis Services, San Francisco General Hospital, St. Mary's Hospital and Medical Center, St. Francis Memorial Hospital, Langley Porter Psychiatric Institute, St. Luke's Hospital and Seton Medical Center. (Department of Public Health)

ACTION: Recommended.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

NOV 21 1989

BUDGET ANALYST

SAN FRANCISCO
PUBLIC LIBRARY

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 19, 1989

TO: Governmental Operations Committee
FROM: Budget Analyst
SUBJECT: October 23, 1989 Governmental Operations Committee Meeting

Item 1e - File 146-89-58

Department: Department of Public Health

Item: Resolution authorizing the Department of Public Health (DPH) to apply for, accept and expend a new Federal grant

Amount of Grant: \$1,427,846

Source of Grant: Department of Health and Human Services, Health Resources and Services Administration

Grant Period: October 1, 1989 to September 30, 1990

Project: AIDS Service Demonstration Program

Description: The proposed grant would provide the first year funding of a three year commitment to continue the AIDS Service Demonstration Program. The City previously received Federal grant funding under a three-year commitment for this program for the three-year period ending September 30, 1989. Grant funds would be used to support services for AIDS patients in San Francisco and in addition would allow DPH to subcontract with the counties of Alameda, San Mateo, Contra Costa and Marin for the provision of of AIDS-related services in their respective jurisdictions. These counties would be subcontracting with San Francisco rather than applying directly to the Federal Government because Federal guidelines stipulate that single

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

applications must come from jurisdictions designated as Standard Metropolitan Statistical Areas (SMSA). In the case of the Bay Area, the SMSA is composed of seven surrounding counties, including San Francisco, Alameda, San Mateo, Contra Costa and Marin Counties. Within the SMSA, AIDS morbidity rates were a factor in the Federal Government's selection of which County would file the grant application. San Francisco AIDS morbidity rates are the highest among the seven surrounding counties in the SMSA.

The proposed grant funding for San Francisco would be used to provide services for AIDS patients that promote safe, independent living and reduce unnecessary hospitalizations. These services would include: home care training, adult day care, home care services (such as nursing care), attendant care, food bank availability and delivery of meals to homes. In addition, AIDS-related services would be targeted specifically to ethnic minority communities including minority out-patient medical care at San Francisco General Hospital (SFGH) and a community-based case management program through Westside Community Health Services, Inc. Other services which would be provided include substance abuse counseling, money management and ancillary support services for AIDS patients residing in skilled nursing facilities.

With the exception of the provision of some case management services, DPH performs primarily an administrative function with regard to these grant funds. DPH would be contracting with non-profit community agencies and hospitals for the provision of direct services to AIDS patients.

Grant Budget:

<u>Personnel</u>	<u>FTE</u>	
Salaries & Wages		
Chief, HRS Branch	1.00	\$71,368
Education/Prevention Chief		5,030
Operation Chief	.44	22,010
Section Chief, Contracts	1.00	45,806
Section Chief, Facilities	1.00	61,054
Contract Compliance Officer	1.00	41,594
Secretary	1.00	28,638
Secretary (as needed-hourly)	.80	<u>21,397</u>
Subtotal - Salaries & Wages	6.24	\$296,897

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

Fringe Benefits	\$80,162
Indirect Costs (20% - Salaries & Wages)	<u>59,379</u>

Total Personnel	\$436,438
-----------------	-----------

Operating Expenses

Computer Maint./Parts Replacement	\$1,500
Office Supplies	4,500
Travel	11,000
Equipment Rental	4,999
Training	1,500
Telephones	3,200
Rent	<u>24,000</u>

Subtotal - Operating Expenses	\$50,699
-------------------------------	----------

Contractual

Community Agencies and Hospitals - Pacific Presbyterian Medical Center	\$192,100
Westside Community Health Inc.	137,500
Home Care Companions	56,250
Coming Home Support Services	37,500
SFGH Outpatient Care	34,357
Laguna Honda Skilled Nursing Facility	115,850

Counties -

Alameda County	196,617
San Mateo County	61,036
Contra Costa County	58,535
Marin County	<u>32,519</u>

Subtotal - Contractual	\$922,264
------------------------	-----------

Indirect Costs (2%)	<u>18,445</u>
---------------------	---------------

Total - Contractual	<u>\$940,709</u>
---------------------	------------------

Total	\$1,427,846
-------	-------------

Required Match: None

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1f - File 146-89-59

Agency: Department of Public Health (DPH)
Division of Mental Health, Substance Abuse and Forensic Services

Item: Resolution to apply for, accept and expend continuation grant funds

Amount of Grant: \$282,295

Source of Grant: State Office of Mental Health

Grant Period: July 1, 1989 through June 30, 1990

Project: Mental Health Consultation and Education Services

Project Description: This grant funds the consultation, education and information services unit for DPH. The unit's 1989-90 objectives include the provision of workshops, media activities, development of specialized educational materials, and other activities for the public and consultation and training for the service providers.

Grant Budget:	Salaries (5.5 FTE)	\$200,635
	Mandatory Fringe Benefits	47,028
	Operating Costs	22,249
	Indirect Costs	<u>12,383</u>
	Total	\$282,295

Indirect Cost Rate: 5% of personnel costs

Required Match: None

Comment: The proposed grant amount of \$282,295 is the same amount received in 1988-89.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1g - File 146-89-60

Department: Department of Public Health (DPH)
Mental Health Programs

Item: Resolution authorizing DPH to accept and expend an augmentation grant.

Amount of Grant: Not to exceed \$60,000. The actual amount awarded at this time is \$28,399.

Source of Grant: State Department of Mental Health Services.

Grant Period: July 1, 1988 to June 30, 1989.

Grant Project: Supportive Housing for Residents with AIDS/ARC Dementia

Description: The proposed augmentation grant would fund, retroactively, housing (eight beds) and support services to persons with mild to moderate AIDS related dementia and/or psychiatric symptoms, who require intensive supervision and maintenance. Depending on the severity of the disorder, danger to self or others and need for related medical care, clients would be eligible for either 24 hour or long term treatment. The therapeutic environment would include supportive psychotherapy, supervision and case management services.

DPH contracts with Catholic Charities to operate the Supportive Housings for Residents with AIDS/ARC Dementia project.

Grant Budget:

Contractual Services	\$27,831
Indirect Costs (2%)	<u>568</u>
Total	\$28,399

Required Match: None

Comments: 1. Ms. Jo Ruffin, Director of Geriatric Residential and Special Programs of DPH reports that the States allocation of these augmentation funds was delayed because the State had to wait until the end of the 1988-89 fiscal year to determine the level of surplus funds available for this purpose. The State was aware that the cost of these project services would exceed the original \$96,000 allocated to this project and had agreed to fund any additional costs retroactively. The total project costs are \$124,399 (\$96,000 plus \$28,399).

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

As noted above, the original grant budget for 1988-89 was \$96,000 for eight AIDS patients. The 1989-90 allocation for this program is \$96,000 for six AIDS patients. (see item 1 (i), File 146-89-63).

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

Item 1h - File 146-89-61

Department: Department of Public Health (DPH)
Family Health Bureau

Item: Accept and expend a State allocation

Amount: \$1,111,172, which is a clerical error. The correct amount is \$1,141,751.

Source of Allocation: State Department of Health Services

Term of Allocation: July 1, 1988 to June 30, 1989

Project: Child Health and Disability Prevention (CHDP) and Prenatal Guidance Program

Description: The program facilitates regular pediatric health screening for Medi-Cal children under 21, and for children in low income families, ages up to 29 months and those entering the first grade. Information, referral and outreach services are also provided to families of the children and pregnant women eligible for Medi-Cal.

Grant Budget:

Salaries (16.5 FTE)	\$785,490
Mandatory Fringe Benefits	233,336
Travel	3,500
Training	1,000
Materials and Supplies	5,125
Rent	9,088
Indirect Costs	<u>104,212</u>
Total	\$1,141,751

The total allocation of \$1,141,751 consists of Child Health and Disability Prevention (\$153,018), Early Periodic Screening Diagnosis and Treatment (\$344,324), Public Health Nursing Enhancement (\$358,708), and Prenatal Guidance (\$285,701).

FTE: 16.5 FTE - Civil Service

Indirect Cost Rate: 10 percent of personnel costs totalling \$1,018,826.

Required Match: None

Comment: As noted earlier, the amount of \$1,111,172 on line 3 of the legislation is a clerical error and should be \$1,141,751. In addition, the amount of \$285,401 on line 16 for Prenatal Guidance is also a clerical error and should be \$285,701.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

Recommendations: Amend the proposed resolution to change the amount of \$1,111,172 to \$1,141,751 on line 3, and the amount of \$285,401 to \$285,701 on line 16, to correct clerical errors and approve as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1i - File 146-89-63

Agency: Department of Public Health (DPH)
Mental Health Programs Division

Item: Resolution to apply for, accept and expend a continuation grant

Amount of Grant: Not to exceed \$100,000. However, the actual grant project budget is \$96,000.

Source of Grant: California Department of Mental Health Services

Grant Period: July 1, 1989 through June 30, 1990

Project: Supportive Housing for Residents with AIDS/ARC Dementia

Description: Housing (six beds) and support services would be provided to persons with mild to moderate AIDS related dementia and/or psychiatric symptoms, who require intensive supervision and maintenance. Depending on the severity of the disorder, danger to self or others and need for related medical care, clients would be eligible for either 24 hour or long term treatment. The therapeutic environment would include supportive psychotherapy, supervision and case management services.

DPH contracts with Catholic Charities to operate the Supportive Housings for Residents with AIDS/ARC Dementia project.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grant Budget:

<u>Contractual</u>		
Personnel		
Psychiatric Social Worker 1.0 FTE	\$23,896	
Fringe Benefits	<u>4,779</u>	
Total - Personnel		\$28,675
Operating Expenses		
Client Related Expenses	\$16,500	
Conference/Travel	800	
Utilities	1,600	
Consultation	26,241	
(Psychiatrist and Medical Social Worker services)		
Furniture	13,245	
Indirect Costs	<u>7,019</u>	
Total-Operating Expenses		65,405
<u>City Indirect Costs</u>		<u>1,920</u>
Total Grant		\$96,000

Required Match: None

Comment: This grant amount for 1989-90 is \$96,000, the same as the original grant award for this program for 1988-89 (see Item 1(g), File 141-89-60).

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 93-89-18.1

Note: This item was continued by the Finance Committee at its meeting of October 16, 1989.

The proposed resolution would declare that the policy of the Board of Supervisors is not to approve appropriations of City funds to implement the Memoranda of Understanding between the City and County of San Francisco and the Giants and the City and County of San Francisco and Spectacor Management Group unless the following changes are included in the Memoranda of Understanding:

1. The Memoranda shall define clearly "net cash flow" as used to calculate the City's share of revenue from ballpark income.
2. The Memoranda shall include an explanation of operations and use of Candlestick Park as it relates to Item 17, Conflict of Interest and Non-Competition, in the Spectacor MOU, and the City's limitations in its operation of Candlestick Park on a year round basis.
3. The Memoranda shall include a plan adopted by the Recreation and Parks Commission to maintain Candlestick Park year round so as to prevent it from becoming derelict.
4. The Memoranda shall include a clarification and particulars regarding the availability of the suggested 7th Street site for arena development.
5. The Memoranda shall include a detailed analysis provided by the Mayor of services that will not be the obligation of the City to provide, but will be provided by other parties.
6. The Memoranda shall identify any reduction of public services that will result due to the commitment of City resources to the downtown ballpark project.
7. The Memoranda shall call for each of three parties to share in the cost of any toxic clean-up that may be necessary at the ballpark site.
8. The Memoranda shall include a commitment that parking facilities required to be constructed by the provisions of the Memoranda shall be constructed and operated without any subsidies from the City's parking tax revenues.
9. The Memoranda shall include an agreement that Spectacor agrees to conduct its business operations at the Ballpark and Arena in accordance with the City's Women and Minority Business Enterprise Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

10. The Memoranda shall include agreements that Spectacor, the Giants, and the City shall share the cost of:
 - a) providing pedestrian overpasses for the downtown ballpark project;
 - b) mitigation resulting from the Environmental Impact Report process;
 - c) grading the parcel of land proposed for the ballpark;
 - d) the installation of vehicular and pedestrian traffic controls;
 - e) litigation expenses related to the downtown ballpark project.

Comments

1. If the proposed amendments to the MOU with the Giants and Spectacor specified in this resolution are enacted, then substantial savings to the City can be realized if identified costs are shared equally. For example, the City's estimated costs for toxic cleanup may be reduced from an estimate of \$2.0 million to approximately \$670,000 (one-third). If the costs for pedestrian overpassings are shared, the City's cost, assuming no State or Federal subventions, could be reduced from an estimated \$6.0 to \$7.0 million to \$2.0 to approximately \$2.4 million.

2. Other savings that would be achieved cannot be estimated at this time since the costs are not known. These savings would result from no provision of subsidies to the parking facility, sharing of environmental impact mitigation costs, grading of the parcel, installation of vehicular and pedestrian parking controls and future litigation expenses.

3. The Budget Analyst believes that the proposed resolution would be beneficial to the City from a cost savings standpoint.

Recommendation

Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - File 93-89-18

Note: This item was continued at the October 16, 1989 Governmental Operations Committee meeting.

This item is a hearing to consider the Memoranda of Understanding (MOUs) between the City and the San Francisco Giants, and between the City and Spectacor Management Group.

On July 27, 1989, the Mayor signed separate MOUs with the San Francisco Giants and Spectacor Management Group regarding the implementation, financing and operation for a proposed new "downtown" ballpark. The proposed ballpark is currently planned to be a 45,000 seat facility located on a 12.5 acre site bounded by King Street on the north, Second Street on the east, Third Street on the west and China Basin on the south. The MOU with Spectacor also addresses, although in more general terms, a proposed arena, currently planned to be developed by Spectacor and located at Seventh and Townsend Streets.

As noted in these MOUs, the Mayor is not authorized to bind the City to these MOUs. Rather, the Mayor by signing these MOUs, has represented that he will use his Office to secure the necessary approvals in order to perform the obligations identified in these MOUs. It should also be noted that a separate MOU has been signed between the San Francisco Giants and the Spectacor Management Group. However, neither the Giants nor Spectacor have made their MOU available to the public.

The specific obligations of the MOU between the City and County of San Francisco and Spectacor Management Group are as follows:

City and County of San Francisco

Spectacor

- | | |
|---|--|
| <p>1. Acquire Site and prepare into a Developable Condition, which includes:</p> <ul style="list-style-type: none">(i) Title search(ii) Legal descriptions(iii) Topographic Surveys(iv) Property Acquisition(v) Demolition of Existing Structures(vi) Relocate Occupants(vii) Toxics - Investigation & Clean-up(viii) Site Clearance and Grading(ix) Relocate Utilities and Install to Curb(x) Relocate and Construct Roadways(xi) Zoning and Land Use Approval | <p>1. Design, develop and construct ballpark
(estimated cost of \$95.88 million)</p> |
| <p>2. Pay for increased costs due to City's requested changes in design and construction.</p> | |

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

3. Pay 1/2 of additional \$20 million cost over \$95.88 million projection
4. Loan Spectacor - \$10 million (\$1 million/yr. for 10 years @ 7.5% interest due only if lease extended after 40 yrs.)
5. Pay Spectacor \$20 (\$2 million/yr for 10 years
6. Assist Spectacor to obtain/issue \$50 million revenue bonds
7. Lease ballpark to Spectacor for 40 yrs.
8. Provide security outside ballpark
9. Exempt and reimburse property/possessory interest taxes
10. Exempt ballpark from admissions or ticket taxes
11. Avoid competition in pricing or scheduling events at Candlestick with the ballpark
12. Will not support development of any project similar to ballpark during term of lease
13. Expedite and minimize cost of and applications, approvals, and environmental assessments

Spectacor

2. Pay 1/2 of additional \$20 million cost over \$95.88 million projection
3. Pay all costs over \$115.88 million (\$95.88 million plus \$20 million)
4. Repay City \$10 million @ 7.5% interest if ballpark operating permit is extended 26 years after initial 40 yr. lease
5. Pay City 20% of "net cash flow" from ballpark
6. Pay all expenses associated with cost of \$50 million bond issue
7. Exclusive right to develop ballpark at site until December 31, 1995 or 3 years after Giants departure from Candlestick Park
8. Pay for uniformed police inside ballpark @ 172% of straight-time hourly rate for events other than baseball
9. Pay normal and usual taxes
10. Enter into sublease with Giants
11. Carry insurance coverage on ballpark
12. Unrestricted right to sell and display advertisements at ballpark
13. Set the pricing of all ballpark events related activities (i.e., rents, concessions, admissions, etc.)

City and County of San Francisco

14. Lease arena to Spectacor for 40 years
15. Exempt arena from admissions or ticket taxes
16. Provide security outside arena
17. Will not support development of any project similar to arena during term of lease

Giants

14. Selection of all contractors to construct and operate ballpark and Arena at sole discretion of Spectacor
15. Develop and construct arena
16. Pay City \$1-/yr for rent of arena
17. Pay 10% of net cash flow of arena (in yrs. 15-40)
18. Carry insurance on arena
19. Unrestricted right to sell and display advertisements on arena
20. Set pricing of all arena events and related activities (i.e. rents, concessions, admissions, etc.)
21. Exclusive right to develop arena for five years from date City provides Arena site, or if alternative site, until December 31, 2003

The specific obligations of the MOU between the City and County of San Francisco and the San Francisco Giants are as follows:

City and County of San Francisco

1. Pay any difference between police costs paid by Giants (straight-time plus administrative costs) and true costs of police inside ballpark
2. Lease ballpark to Giants if Spectacor does not maintain lease for 40 years
3. Develop and construct 1,500 car parking structure
 - (i) 200 spaces provided free to Giants

Giants

Pay for off-duty San Francisco Police @ straight time plus administrative costs

City and County of San Francisco

Giants

- (ii) 800 additional spaces
 - (a) For luxury boxes (charge to be determined later)
 - (b) Remainder free for media, VIP's, etc.
- 4. Provide 13,500 additional parking spaces for night games and 7,000 spaces for day games
- 5. Traffic and Transit Improvements
 - (i) Embarcadero Parkway
 - (ii) MUNI/Metro Turnback, Extension and Station
 - (iii) MUNI F line
 - (iv) Traffic improvements
 - (v) Pedestrian improvements
- 6. Prepare operations plan for traffic and traffic control near ballpark
- 7. Study impact of new neighboring construction on wind and sunlight, and on parking - mitigate any impacts
- 8. Provide legal defense for Giants, at their request, in any challenge or action involving the proposed ballpark

Under the provisions of the MOU between the City and Spectacor, Spectacor is excused from performance of the terms of the MOU if any of the various milestone events set forth in the MOU between the City and the Giants are not satisfied by specified dates. Correspondingly, the City at its option, may be excused from performance if Spectacor does not perform eight separate milestone events by stated deadlines beginning October 1, 1989, by providing an artist's rendering of the ballpark and ending with the commencement of the ballpark's construction on January 31, 1993.

Under the provisions of the MOU between the City and the Giants, the Giants may be excused from the MOU (1) if the City under the California Environmental Quality Act, requires modifications or alternatives to the proposed ballpark which are unacceptable to the Giants; (2) if the City fails to take necessary actions or obtain necessary approvals required to complete the ballpark project; or (3) if the City fails to adopt an ordinance amending the Giants' existing Candlestick Park lease by October 3, 1989. Amendment of the Giants existing Candlestick Park lease was approved by the Board of Supervisors on October 10, 1989 (File 65-89-5). The specific milestones contained in the MOU with the Giants are included in the Budget Analyst's report on that item.

Comments

1. As requested by the Board of Supervisors, the Budget Analyst has prepared a separate report on the downtown ballpark and arena proposals, including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County.

2. The Governmental Operations Committee requested that the Budget Analyst and Mayor's Office prepare a joint report on the assessment of the City's costs and the economic benefit pertaining to the downtown ballpark. Although meetings were held with the Mayor's Office, based on the significant differences between the Budget Analyst and the Mayor's Office, a joint report has not been produced as of this date. We have been unable to meet again with the Mayor's Office on this subject since Friday, October 13, 1989.

3. At the October 10, 1989 Governmental Operations Committee meeting, the Controller was directed to respond to the Committee regarding the Mayor and the Budget Analyst's reports on the financial implications of the ballpark in relation to the information provided in the Proposition P ballot document. The Budget Analyst met with the Controller and a representative from the Mayor's Office to discuss these issues. The Controller responded to the Committee on October 16, 1989. A copy of the Controller's response is attached.

4. The Governmental Operations Committee questioned how many years will pass before the City begins realizing a positive cash flow on the ballpark investments. In the eleventh year of the financial projections, the City's obligations to contribute \$2.0 million annually to ballpark operations and loan \$1.0 million annually to Spectacor will end. At this point, beginning in year eleven, the City's net cash flow will become positive.

City and County of San Francisco

Office of Controller



October 16, 1989

Supervisor Jim Gonzalez
Supervisor Tom Hsieh
Supervisor Angela Alioto
Board of Supervisors
Room 235 - City Hall
San Francisco, California 94102

Dear Supervisors:

The Government Operations Committee has requested that the Mayor's office, the Budget Analyst and the Controller meet and attempt to reconcile differences regarding the cost benefit analysis of the proposed new ballpark. The Controller has previously prepared and submitted on August 10, 1989 a cost analysis of the ballpark for inclusion in the voters handbook.

In the opinion of the Controller that analysis is still correct and applicable to the ballpark ballot measure.

However, the Mayor's office has prepared a cost/benefit analysis of the proposed ballpark dated October 2, 1989. This analysis provides additional definitions and assumptions to the general terms of the original Memorandum of Understanding between the Mayor and the developer.

On October 12, 1989, the Mayor's office, Budget Analyst and Controller met to review the assumptions and calculations prepared by the Mayor's office and the Budget Analyst in an effort to reach consensus on the calculations.

Consensus was reached on all but the following item:

Nominal Value Difference

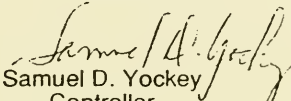
Land Assembly - Payment to Port

\$7,000,000

These are relatively minor differences given the dollar magnitude of the costs and benefits and the forty (40) year life span of the project.

In my opinion, the assumptions and the resulting cost/benefit calculations for the Expected Case, Best Case, and Worst Case are reasonable with the above minor exception.

Sincerely,


Samuel D. Yockey
Controller

1014-WPPPADM

cc: John Taylor - Board of Supervisors
Budget Analyst - c/o Board of Supervisors
Carol Wilkins - Mayor's Office

Item 4 - File 263-89-1

Note: This item was continued by the Governmental Operations Committee at its meeting of October 10, 1989.

1. This item would consider the San Francisco Labor - Management Work Improvement Project (WIP).

2. The City has contracted with a private firm, Work Improvement Project Incorporated, for nine years to provide labor-management mediation services. The contract with Work Improvement Project Incorporated was terminated on June 30, 1989. The City's 1988-89 budget included \$80,000 for this contract.

3. The Mayor's proposed 1989-90 budget for WIP included only \$38,851 for contractual labor-management mediation services but included one new secretarial position to perform some of the services on an in-house basis. Subsequently, in the budget review process, the Mayor requested, and the Board of Supervisors approved, putting the secretarial position in another project and increasing the WIP budget for contractual services to the 1988-89 level of \$80,000.

4. Ms. Maggie Jacobsen of the Mayor's Office reports that she is currently in the process of reassessing the City's needs for labor-management mediation service alternatives in lieu of having all such services provided by an outside contractor. Alternatives being considered range from performing some services on an in-house basis to continuing to have all services provided by a contractor but revising the goals and objectives of that contract. Ms. Jacobsen states that although there is no contract at present to provide labor-management mediation services, these services continue to be provided on an in-house basis by her office until such time as her reassessment is completed.

Item 6 - File 97-89-45

Note: This item was continued by the Governmental Operations Committee at its meeting of October 16, 1989.

Department: Public Works
Purchasing

Item: The proposed ordinance would amend Chapter 6 and Chapter 21 of the City's Administrative Code by adding Sections 6.29.-1., 6.29.-2., 21.11.-1. and 21.11.-2. to raise from \$50,000 to \$10 million the threshold level under Charter Section 7.200 which prescribes procedures for the award of public works and purchasing contracts. Contracts in excess of \$10 million would be awarded in accordance with the provisions of Charter Section 7.200 except that the provisions of Chapter 12D of the Administrative Code, relating to Minority/Women/Local Business preferences would not be applicable.

Description: Presently, Charter Section 7.200 sets the level, currently at \$50,000 or above, which establishes the requirements for the award to outside contractors of public works and purchasing contracts in lieu of accomplishing the work on an in-house Civil Service basis. However, the Board of Supervisors has authority to increase or decrease the threshold level by ordinance. For contracts below \$50,000, the work can be completed directly by the City's in-house Civil Service staff.

For expenditures in excess of \$50,000, the contracts must be competitively awarded to the lowest responsible and reliable bidder. Contracts for the purchase of supplies must be signed by the Purchaser of Supplies and the Chief Administrative Officer. Public works contracts must be signed by the department head and the Chief Administrative Officer or by the signature of the department head and the approval by resolution of the board or commission concerned for departments not under the Chief Administrative Officer.

The proposed ordinance would raise the threshold level for Charter Section 7.200 from \$50,000 to \$10 million and require that construction and purchasing contracts in excess of \$50,000 and less than \$10 million be awarded in accordance with the provisions of Charter Section 7.200 and the appropriate sections of the Administrative Code, including Chapter 12D. Presently, all contracts are subject to the MBE/WBE/LBE provisions of Chapter 12D. However, under the proposed legislation, construction and purchasing

BOARD OF SUPERVISORS
BUDGET ANALYST

contracts in excess of \$10 million would not be applicable to the MBE/WBE/LBE preference provisions of Chapter 12D.

Comments:

1. According to Ms. Mara Rosales of the City Attorney's Office, the proposed ordinance is necessary to answer legal questions raised by recent court decisions. The proposed ordinance would make explicit the applicability of the Chapter 12D MBE/WBE/LBE preference provisions for contracts between \$50,000 and \$10 million and would make contracts over \$10 million exempt from the Minority/Women/Local Business preferences contained in Chapter 12D of the Administrative Code.

2. The enactment of this proposed ordinance would have little affect on the ability of MBE/WBE/LBE firms to compete for City contracts since, according to Mr. Gerald Costanzo of the Department of Public Works, only one of the City's 96 construction contracts since July 1, 1988 exceeded \$10 million. According to Jim Breslin of the Purchasing Department, of the \$300 million in purchasing contracts awarded over the last four years, no individual contract has exceeded \$10 million.

3. The Budget Analyst has noted that by changing the threshold level from \$50,000 to \$10 million, the proposed ordinance would have the unintended affect of permitting public works and purchasing contracts under \$10 million to be accomplished in-house without the necessity of being competitively bid. Presently public works and purchasing contracts in excess of \$50,000 must be competitively bid. The City Attorney's Office acknowledges that the proposed ordinance should be amended to clarify that the raising of the threshold level from \$50,000 to \$10 million should not change the requirement that public works and purchasing contracts in excess of \$50,000 be competitively bid.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, the Budget Analyst recommends that the proposed ordinance be amended to include language in order to clarify that public works and purchasing contracts in excess of \$50,000 still must be competitively bid.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 7 - File 97-89-45.1

The proposed ordinance would amend Chapter 6 of the City's Administrative Code to provide that contracts in excess of \$50,000 (rather than \$15,000) be awarded to the lowest, reliable and responsible bidder.

Proposition B, approved by the Voters of San Francisco on June 3, 1986, raised from \$15,000 to over \$50,000 the threshold level for Section 7.200 of the San Francisco Charter for which City construction and purchasing contracts must be competitively bid. Ordinance 404-86, passed on October 3, 1986, made changes in the Administrative Code to bring City contract awarding procedures into agreement with the change in the Charter.

The proposed ordinance would correct the inadvertent omission of Section 6.1 of the Administrative Code from the amendments made in Ordinance 404-86. It is simply a technical correction and would change the Administrative Code to raise from \$15,000 to over \$50,000 the level at which contracts must be competitively awarded consistent with the current practice.

Recommendation

Approve the proposed ordinance.

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

Item 8 - File 146-89-57

Department: Department of Public Health (DPH), Community Substance Abuse Services

Item: Resolution authorizing the Department of Public Health to accept and expend a continuation Federal grant.

Amount: \$665,850

Source of Funds: Federal Department of Health and Human Services, Alcohol, Drug Abuse and Mental Health Administration

Grant Period: September 1, 1989 through August 31, 1990

Project: Comprehensive Alcohol and Drug Early Intervention

Description: This would be the third year of funding for this project. The project provides comprehensive substance abuse prevention, education, rehabilitation and referral and treatment services to youths 12 to 17 years of age. In addition, support services are provided to their families, who are at high risk for alcohol and drug abuse due to environmental factors related to community and family.

The Department of Public Health performs an administrative function with regard to these grant funds. The DPH would be contracting with community agencies for the provision of services.

Project Budget:	<u>Personnel</u>	<u>FTE</u>	
	Health Program Coordinator	1.0	\$48,741
	Fringe Benefits	<u>-</u>	<u>13,588</u>
	Total - Personnel	1.0	\$62,329
	<u>Operating Expenses</u>		
	Travel		\$8,713
	Supplies		3,392
	Equipment		<u>1,929</u>
	Total - Operating Expenses		14,034

BOARD OF SUPERVISORS
BUDGET ANALYST

Contractual Services

Multicultural Training Resource Center	\$124,069	
Horizons Unlimited	220,567	
Women's Alcoholism Center	61,134	
National Council on Alcoholism Bay Area	66,229	
Westside Community Health Services, Inc.	<u>117,488</u>	
Total - Contractual Services		<u>\$589,487</u>

Total	\$665,850
-------	-----------

Indirect Cost: Waived

Local Match: None

Comments:

1. DPH reports that an application for these grant funds was required for the first year of funding only. This is the third and final year of a three-year grant award. The total grant award was in the amount of \$1,817,300, for the period September 1, 1987 through August 31, 1990.
2. The grant amount of \$665,850 represents a \$37,689 or 6.0% increase over the \$628,161 received for FY 1988-89.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 146-89-62

Department: Department of Public Health (DPH)
Community Substance Abuse Services

Item: Resolution to apply for, accept and expend a new State grant.

Grant Amount: \$5,936,144

Source of Grant: State Department of Alcohol and Drug Programs

Grand Period: October 1, 1989 through September 30, 1990.

Project: Substance Abuse Client Waiting List Reduction

Project Description: The proposed grant would provide augmentation funds to 11 community-based and two City-operated substance abuse treatment programs for the period from October 1, 1989 through September 30, 1990, to expand their services and thereby reduce or eliminate client waiting lists for these services. The new State grant funds have recently become available through a federal subvention which restricts awards of this grant to existing State- and City-approved substance abuse treatment providers with waiting lists.

The 11 community-based agencies and two City-operated agencies would use the grant funds to expand residential, outpatient counselling and drug detoxification, and methadone maintenance services to accommodate approximately 873 additional client slots, as outlined in the attached summary of program providers. A client slot is a measure of service capacity, such as the availability of a bed in a residential facility. Each of the 11 community-based agencies currently provides substance abuse treatment services for the City on a contractual basis.

Project Budget: \$5,936,144 (see attached)

Indirect Costs: None

Required Match: None

Comments: 1. According to DPH, the proposed grant stipulates that funds must be expended within one year of receipt of the grant. Unexpended funds would revert to the federal government.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

2. The DPH indicates that Congress has proposed subsequent legislation to maintain substance abuse treatment services at the proposed expanded level of services.

Recommendations: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

SUMMARY OF APPLICANTS FOR STATE SUBVENED FEDERAL FUNDS TO REDUCE
OR ELIMINATE CLIENT WAITING LISTS FOR SUBSTANCE ABUSE TREATMENT

<u>PROGRAM</u>	<u>NEW SLOTS</u>	<u>ANNUAL COST PER SLOT</u>	<u>TOTAL REQUESTED</u>
RESIDENTIAL SERVICES			
Asian American Recovery Services	7	24,333	\$170,330
Baker Places	17	14,176	241,000
Haight Ashbury Free Clinics (Smith House)	4	25,382	101,528
Liberation House	6	16,667	100,000
Tom Smith Substance Abuse Tx. Ctr.*	20	37,500	750,000
Walden House	96	20,908	2,007,137
Subtotal	150		\$3,369,995
OUTPATIENT			
Bayview-Hunter's Pt. Fdn. for Community Improvement:			
Ctr. for Problem Drinkers	20	2,500	50,000
18th St. Services	55	1,830	100,625
Youth Services	30	3,333	100,000
Haight Ashbury Free Clinics - Detox	120	6,295	755,400
Harriet Street Center*	50	1,722	86,097
Horizons Unlimited of San Francisco	15	2,000	30,000
Westside Comm. Mental Health - Inner City	45	2,222	99,990
Women's Institute for Mental Health	38	3,278	124,560
Subtotal	373		\$1,346,672
OUTPATIENT METHADONE MAINTENANCE			
Bay Area Addiction Research & Treatment:			
Geary St. Clinic and FACET	100	2,538	253,800
Embarcadero Clinic	100	2,538	253,800
Bayview-Hunter's Pt. - Methadone Maint.	65	3,411	221,715
UCSF/PACE Program at Ward 93, SFGH	40	7,462	298,495
Westside CMHC - Methadone Maint.	45	4,259	191,667
Subtotal	350		\$1,219,477
TOTAL	873		\$5,936,144

* Indicates a department operated clinic

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

Item 10 - File 64-89-34

Department: Real Estate Department

Item: Resolution authorizing a new lease of real property for the San Francisco Rent Stabilization Board.

Location: 25 Van Ness Avenue (3rd and 4th Floors)

Purpose of Lease: Provide enlarged office space, conference and hearing room facilities, and reception areas for the San Francisco Rent Stabilization Board ("Rent Board").

Lessor: Bay West Landmark Investors

of Sq. Ft. and Cost/Month: 6,515 square feet @ \$1.10 per square foot
\$7,145 per month

Annual Cost: \$85,740

Utilities and Janitor Provided by Lessor: Yes

Term of Lease: The proposed lease would commence on November 1, 1989, or as soon thereafter as the lease is approved by the City, and would run until June 30, 1995.

Right of Renewal: None

Right of Termination: The proposed lease provides that if funds for rental payments are not appropriated in any subsequent fiscal year, the City may terminate the lease on 150 days written notice.

Source of Funds: S. F. Rent Stabilization Board Special Fund

Comments: 1. Mr. Joseph Grubb, Executive Director of the Rent Board, states that the Rent Board currently occupies 2,637 square feet of space at 170 Fell Street (the former Commerce High School), at a rental rate of \$1,708 per month on a month-to-month basis (a rate of approximately \$0.65 per square foot). Mr Grubb states that this space is inadequate to meet the Rent Board's needs. The existing hearing rooms do not have full floor-to-ceiling partitions, which has caused problems with the required tape recording of Rent Board hearings. Further, in July, 1989, the Rent Board was cited by Cal OSHA because the Rent Board's files, stored in aisles and hallways, created a hazard and left inadequate aisle space. Furthermore, Mr.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grubb states that the San Francisco Unified School District, which owns the premises where the Rent Board is currently located, needs the space for its own purposes.

2. Mr. Phil Aissen, Senior Real Property Officer states that the proposed lease is in a building occupied by other City offices and has been negotiated at a fair market rental rate. The premises are fully built-out, require no renovation, and are suitable for the Rent Board's purposes.

3. Mr. Aissen states that the proposed lease contains a 6.5 per cent annual rent escalation.

4. Mr. Grubb states that funding for rent will come from the newly established Rent Board Special Fund.

Recommendation: Approve the proposed resolution.

Item 11 - File 106-89-7

Department: Civil Service

Item: Ordinance to amend the 1989-90 Salary Standardization Ordinance (SSO)

Description: The proposed ordinance would amend the 1989-90 Salary Standardization to adjust rates of pay for 19 classifications included in Section XIV.B, Schedule of Pay Equity Adjustments, and to correct Section XIV.C Composite Schedule of Compensation Including Pay Equity Adjustments, and to correct Section XI Adjustments. The proposed amendment reflects the finalization of the pay equity wage determinations under the application of the eligibility criteria of this year's (1989-90) pay equity agreement negotiated by the Mayor's Employee Relations Division and the respective Public Employee Organizations.

The 19 classifications to be adjusted are as follows:

<u>Class</u>	<u>Title</u>
1704	Communication Dispatcher I
1705	Communication Dispatcher II
1739	Computer Operations Supervisor II
1847	Executive Aide to the Mayor's Office
1860	Computer Operations Support Supervisor
2566	Rehabilitation Counselor
3546	Curator IV
4260	Real Property Appraiser Trainee
8249	Fingerprint Technician I
8250	Fingerprint Technician II
8251	Fingerprint Technician III
9730	Staff Aide I, Special Project
9734	Staff Assistant I, Special Project
9738	Staff Assistant III, Special Project
9742	Staff Assistant V, Special Project
9782	Assistant to Mayor I
9784	Assistant to Mayor II
9786	Assistant to Mayor III
9922	Public Service Aide-Associate to Professionals

Comment: As of the writing of this report, the Budget Analyst was unable to obtain cost information regarding the proposed amendment.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 12 - File 65-89-7

Department: Public Utilities Commission

Item: Ordinance authorizing a ten-year lease with option to extend term for an additional ten-year period with No. 1 NB Partners.

Location: A portion of Parcel 111-C of Bay Division Pipeline numbers 3 and 4 Right-of-Way located in Milpitas, California (See attached map).

Purpose: To allow No. 1 NB Partners to lease portion of the right-of-way for purposes of parking and landscaping.

No. of Sq. Ft. 37,026 square feet or 0.85 acre

Monthly Rent: Rental payable to the City applies to 29,800 sq. ft. @ approximately \$0.034 sq. ft./mo. = \$1,000 rent/mo. for the period January 1, 1990 through December 31, 1990. (7,226 sq. ft. are not subject to rent because the proposed use is for landscaping.) The annual rental would then be adjusted upward annually based on changes in the Cost of Living Index, not to exceed 10 percent per year. The lessee would reimburse the City for all taxes and assessments.

% Increase over 1988-89: New Lease

Term of Lease: Ten years commencing January 1, 1990, and terminating December 31, 1999, with option to extend the term for an additional ten year period.

Comments:

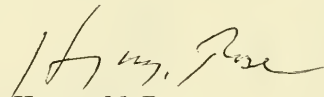
1. The subject parcel is currently used by the Water Department as a pipeline right-of-way. The parcel surface is currently unused.
2. No. 1 NB Partners, the proposed lessee, is currently building a delicatessen adjacent to the parcel and proposes to use the property for parking (29,800 sq. ft.) and for landscaping (7,226 sq. ft.). According to the Water Department, rent for the landscaped portion would not be charged because the property deed precludes the City from charging any rent for use of the property for that purpose. The Department also reports that PUC Resolution number 74-0390 established the policy of not charging adjoining property owners rent for gardening and landscaping uses of leased PUC property.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

3. Mr. Richard Tanaka, Manager of Agriculture and Land Division of the Water Department, certifies that the proposed rental rate payable to the City represents the fair market value rate.

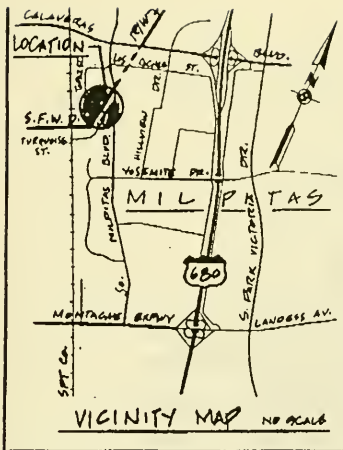
Recommendation: Approve the proposed ordinance.



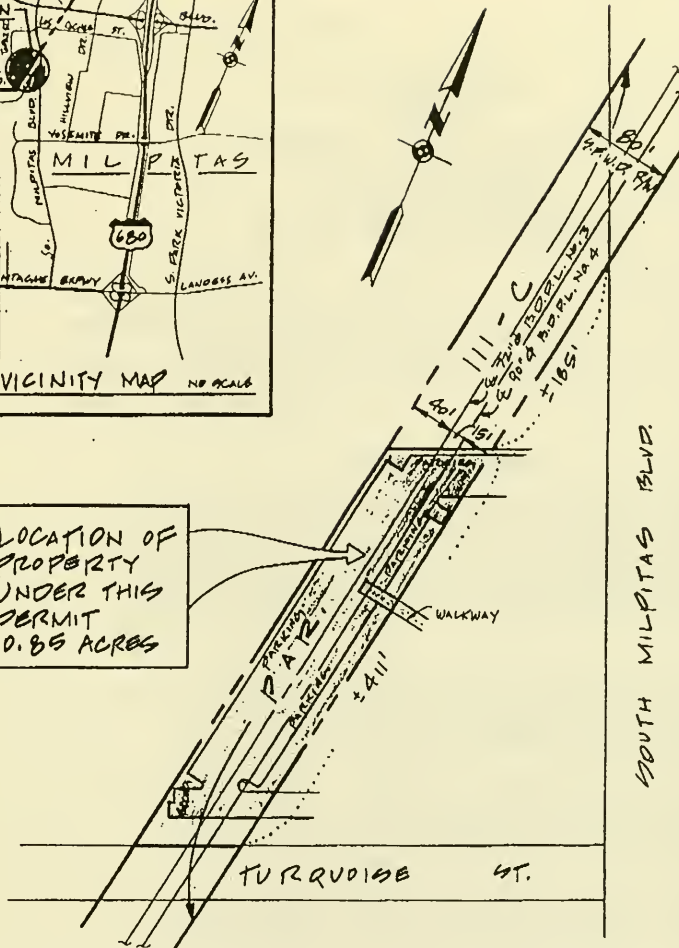
Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST



LOCATION OF
PROPERTY
UNDER THIS
PERMIT
0.85 ACRES



CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION
SAN FRANCISCO WATER DEPARTMENT

LEASE TO
NO. 1 NB PARTNERS
FOR PARKING AND LANDSCAPING G.C. CO.
B.O.R.L. NO. 3 & 4 R/W; PORTION PAR. 111-C

APPROVED	SCALE 1" = 100'	BY H.C.	DR. RA.	DRAWING NO.
APPROVED		REVIEWED	CH.	B-4553
GENERAL MANAGER AND CHIEF ENGINEER		DATE 7-5-89	REVISED	

10.32
2
23/89

Actions Taken

C A L E N D A R
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

NOV 13 1989

SAN FRANCISCO
PUBLIC LIBRARY

MONDAY, OCTOBER 23 1989 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEMS 1(d) AND 6 - 12

CLERK: GAIL JOHNSON

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Governmental Operations Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

- (a) File 93-89-19. [Employee Relations Division] Resolution ratifying Memorandum of Understanding with Building Material and Construction Teamsters, Local #216. (Office of the Mayor's Employee Relations Division)
- (b) File 93-89-20. [Employee Relations Division] Resolution ratifying Memorandum of Understanding with Bricklayers, Stone Masons, Terrazzo Mechanics, Marble Masons, Pointers, Caulkers and Cleaners, Local Union No. 7. (Office of the Mayor's Employee Relations Division)
- (c) File 93-89-21. [Employee Relations Division] Resolution ratifying Memorandum of Understanding with Transport Workers Union Local 250-A (Miscellaneous). (Office of the Mayor's Employee Relations Division)
- (d) File 93-89-22. [Employee Relations Division] Resolution ratifying Memorandum of Understanding with Transport Workers Union Local 250-A (7410 Automotive Service Worker). (Office of the Mayor's Employee Relations Division)
- (e) File 146-89-58. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for, accept and expend a grant of \$1,427,846 from the Department of Health and Human Services, Health Resources and Services Administration, to continue funding the AIDS Service Demonstration Program. (Mayor)
- (f) File 146-89-59. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, to apply for, accept and expend a grant of \$282,295 from the State Office of Mental Health for consultation, education and information unit services; this is an addendum to the San Francisco City and County Short-Doyle Plan for Mental Health Services in Fiscal Year 1989-90, Part A. (Mayor)

- (g) File 146-89-60. [Grant - State Funds] Resolution authorizing the Department of Public Health, Mental Health Programs Division, to accept and expend a grant augmentation not to exceed \$60,000 from the State Department of Mental Health for AIDS/Mental Health Services. (Mayor)
- (h) File 146-89-61. [Grant - State Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health, Child Health and Disability Prevention Program (CHDP), to accept and expend funds in the total amount of \$1,111,172 from the State Department of Health Services for Child Health and Disability Prevention services. (Mayor)
- (i) File 146-89-63. [Grant - State Funds] Resolution authorizing the Department of Public Health, Mental Health Programs Division, to accept and expend a grant not to exceed \$100,000 from the State Department of Mental Health for an AIDS Dementia/Mental Health Facility. (Mayor)

ACTION: Items (d) and (h) removed from Consent Calendar.
Remainder of the Consent Calendar recommended.

- (d) File 93-89-22. Recommended.
- (h) File 146-89-61. Amended on line 3, by replacing "\$1,111,172" with "\$1,141,751", and on line 16, by replacing "\$285,401" with "\$285,701". Recommended as amended. New title: "Authorizing the Department of Public Health, Community Public Health Services, Family Health, Child Health and Disability Prevention Program (CHDP), to accept and expend funds in the total amount of \$1,141,751 from the State Department of Health Services for Child Health and Disability Prevention services."

REGULAR CALENDAR

- 2. File 93-89-18.1. [Downtown Ballpark MOU Implementation] Resolution declaring policy of the San Francisco Board of Supervisors not to approve appropriations of City funds to implement the memoranda of understanding between the City and County of San Francisco and the Giants and the City and County of San Francisco and Spectacor Management Group unless certain changes are included in the memoranda of understanding. (Supervisors Gonzalez, Walker)
(Continued from 10/16/89)

ACTION: Continued to Call of the Chair (at the request of sponsor).

- 3. File 93-89-18. Hearing to consider memorandums of understanding signed by the Mayor and the San Francisco Giants and the Mayor and Spectacor Management Group. (Supervisors Walker, Gonzalez)
(Continued from 10/16/89)

ACTION: Continued to Call of the Chair (at the request of co-sponsor).

4. File 263-89-1. Hearing to consider the Work Improvement Project. (Supervisor Walker)
(Continued from 10/10/89)

ACTION: Hearing held. Filed.

File 101-89-49. Ordinance prepared in and reported out of Committee, entitled: "Rescinding \$71,600 from Services of Other Departments - Miscellaneous Departments, Division Overhead, Professional Services and Other Contractual Services, Department of Social Services, Public Health - Central Office, Public Works - Engineering, Recreation and Park Commission - Administration/Business Office, Office of the Mayor and Public Works - Water Pollution Control for Fiscal Year 1989-90 (Work Improvement Project). RO #9132" Recommended.

5. File 40-89-12. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "O" in the West Portal/Saint Francis Wood area and adding Nineteenth, Twentieth, Twenty-First, and Twenty-Second Avenues (between Taraval and Ulloa Streets), to the list of streets upon which time limitations shall apply. (Department of Public Works)
(Continued from 10/10/89)

ACTION: Continued to November 6, 1989 meeting.

6. File 97-89-45. [Contracts, \$50,000 - \$10 million] Ordinance amending Administrative Code by adding Sections 6.29-1, 6.29-2, 21.11-1 and 21.11-2 raising from \$50,000 to \$10 million the dollar amount specified in Paragraph 3 of Charter Section 7.200 for the award of public works and purchasing contracts; requiring that public works and purchasing contracts in excess of \$50,000 and not exceeding \$10 million be awarded in accordance with the procedures of the Administrative Code, including Chapter 12D. (Supervisor Kennedy)
(Continued from 10/16/89)

ACTION: Amended on page 2, line 4, by inserting "titled 'Bidding Required on Contracts Exceeding Fifty Thousand Dollars; Time for Bidding'" following "6.1". Continued to October 30, 1989 meeting.

7. File 97-89-45.1. [Contracts - Competitive Bidding for Contracts Over \$50,000] Ordinance amending the Administrative Code, by amending Section 6.1 to provide that contracts in excess of \$50,000 (rather than \$15,000) be awarded to the lowest reliable and responsible bidder. (Supervisor Kennedy)

ACTION: Recommended.

8. File 146-89-57. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services to accept and expend a grant up to the amount of \$665,850 from the United States Department of Health and Human Services, Alcohol, Drug Abuse and Mental Health Administration, Office of Substance Abuse Prevention for multicultural substance abuse prevention services for youth. (Mayor)

ACTION: Amended on lines 4 and 11 by replacing "\$665,850" with "\$676,015". Recommended as amended. New title: "Authorizing the Department of Public Health, Community Substance Abuse Services to accept and expend a grant up to the amount of \$676,015 from the United States Department of Health and Human Services, Alcohol, Drug Abuse and Mental Health Administration, Office of Substance Abuse Prevention for multicultural substance abuse prevention services for youth."

9. File 146-89-62. [Grant - State Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services to apply for, accept and expend a grant up to the amount of \$5,936,144 from the State of California, Department of Alcohol and Drug Programs to augment substance abuse treatment programs for the purpose of reducing or eliminating patient/client waiting lists for services. (Mayor)
- ACTION: Recommended.
10. File 64-89-34. [Lease of Property] Resolution authorizing lease of real property at 25 Van Ness Avenue for the San Francisco Rent Stabilization Board. (Real Estate Department)
- ACTION: Amended on page 1, line 12, by replacing "November 1" with "October 24". Recommended as amended.
11. File 106-89-7. [Salary Standardization Ordinance - Pay Equity] Ordinance amending Ordinance No. 141-89 (Salary Standardization Ordinance for Fiscal Year 1989-90, Charter Sections 8.400, 8.401 and 8.407) by correcting Section XI.A and B adjustments and adjusting rates of pay for various classifications reflected in Section XIV.B, schedule of pay equity adjustments and in Section XIV.C, composite schedule of compensation including pay equity adjustments; effective July 1, 1989. (Civil Service Commission)
- ACTION: Recommended.
12. File 65-89-7. [Lease of Property] Ordinance approving a ten-year lease with option to extend term for an additional ten-year period, between City and County of San Francisco, Lessor, and No. 1 NB Partners, Lessee. (Public Utilities Commission)
- ACTION: Recommended. (The Committee asked the Public Utilities Commission to make sure that the proposed lease contains guarantees that the parking area to be located on City property will be used only by patrons and employees of lessee, and at no charge.)

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

October 26, 1989

DOCUMENTS DEPT.

NOV 21 1989

SAN FRANCISCO
PUBLIC LIBRARY

TO: Governmental Operations Committee
FROM: Budget Analyst
SUBJECT: October 30, 1989 Governmental Operations Committee Meeting

Item 1 - File 97-89-45

Note: This item was continued by the Governmental Operations Committee at its meeting of October 23, 1989.

Department: Public Works
Purchasing

Item: The proposed ordinance would amend Chapter 6 and Chapter 21 of the City's Administrative Code by adding Sections 6.29.-1., 6.29.-2., 21.11.-1. and 21.11.-2. to raise from \$50,000 to \$10 million the threshold level under Charter Section 7.200 which prescribes procedures for the award of public works and purchasing contracts. Contracts in excess of \$10 million would be awarded in accordance with the provisions of Charter Section 7.200 except that the provisions of Chapter 12D of the Administrative Code, relating to Minority/Women/Local Business preferences would not be applicable.

Description: Presently, Charter Section 7.200 sets the level, currently at \$50,000 or above, which establishes the requirements for the award to outside contractors of public works and purchasing contracts in lieu of accomplishing the work on an in-house Civil Service basis. However, the Board of Supervisors has authority to increase or decrease the threshold level by ordinance. For contracts below \$50,000, the work can be completed directly by the City's in-house Civil Service staff.

For expenditures in excess of \$50,000, the contracts must be competitively awarded to the lowest responsible and reliable bidder. Contracts for the purchase of supplies must be signed by the Purchaser of Supplies and the Chief Administrative Officer. Public works contracts must be signed by the department head and the Chief Administrative Officer or by the signature of the department head and the approval by resolution of the board or commission concerned for departments not under the Chief Administrative Officer.

The proposed ordinance would raise the threshold level for Charter Section 7.200 from \$50,000 to \$10 million and require that construction and purchasing contracts in excess of \$50,000 and less than \$10 million be awarded in accordance with the provisions of Charter Section 7.200 and the appropriate sections of the Administrative Code, including Chapter 12D. Presently, all contracts are subject to the MBE/WBE/LBE provisions of Chapter 12D. However, under the proposed legislation, construction and purchasing contracts in excess of \$10 million would not be applicable to the MBE/WBE/LBE preference provisions of Chapter 12D.

Comments:

1. According to Ms. Mara Rosales of the City Attorney's Office, the proposed ordinance is necessary to answer legal questions raised by recent court decisions. The proposed ordinance would make explicit the applicability of the Chapter 12D MBE/WBE/LBE preference provisions for contracts between \$50,000 and \$10 million and would make contracts over \$10 million exempt from the Minority/Women/Local Business preferences contained in Chapter 12D of the Administrative Code.

2. The enactment of this proposed ordinance would have little affect on the ability of MBE/WBE/LBE firms to compete for City contracts since, according to Mr. Gerald Costanzo of the Department of Public Works, only one of the City's 96 construction contracts since July 1, 1988 exceeded \$10 million. According to Jim Breslin of the Purchasing Department, of the \$300 million in purchasing contracts awarded over the last four years, no individual contract has exceeded \$10 million.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

3. At the October 16, 1989 Governmental Operations Committee meeting, the Committee amended the proposed legislation to clarify that the raising of the threshold level from \$50,000 to \$10 million should not change the requirement that public works and purchasing contracts in excess of \$50,000 be competitively bid.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 - File 97-89-20

Note: This item was continued at the October 10, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City's construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

BOARD OF SUPERVISORS
BUDGET ANALYST

- b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SDBE/SWBE firms from subcontracting opportunities.
 - c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SDBE/SWBE firms.
 - d. Unless the City takes positive steps to prevent discrimination against SDBE/SWBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.
 - e. The City's SDBE/SWBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SDBE/SWBE firms from subcontracting opportunities on City construction contracts.
4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SDBE/SWBE participation goals, monitoring and reporting, compliance, review and implementing instructions:
- a. Policy: The City will rely on the relationship between the percentages of SDBE/SWBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.
 - b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.
 - c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance;
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;

BOARD OF SUPERVISORS
BUDGET ANALYST

(3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;

(4) Incorporate liquidated damages provisions;

(5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.

(6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.

(7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and

such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. Monitoring, Reporting, and Compliance: The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. Review: The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. Implementing Regulations: The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall

BOARD OF SUPERVISORS
BUDGET ANALYST

provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.
2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 - File 10-89-9

Department: Department of Public Works (DPW)

Item: Resolution granting revocable permission to the University of San Francisco to encroach upon City property to install underground vaults and conduits for a telecommunications system.

Description: The proposed resolution would grant permission to the University of San Francisco to encroach upon City property to install and maintain vaults and conduits for a telecommunications system across the following streets:

Fulton Street just east of Parker to connect the main campus to the Kendrick Law School.

Parker Street between Fulton and Golden Gate to connect the main campus to the Koret Center.

Across Golden Gate, the entire length of Temescal then across Turk to connect Lone Mountain with the main campus.

The Board of Supervisors may revoke the permission at will. In addition, permission would automatically be terminated if the University of San Francisco (USF) failed to continue insurance protection for the encroachments. The proposed resolution would also adopt City Planning Department findings that the USF project is consistent with the eight priority policies of Planning Code Section 101.1.

The permission would not become effective until USF had executed a street encroachment agreement, and the Controller had reviewed USF's insurance policy for the encroachment.

USF, at its sole expense, and as is necessary as a result of this permit, shall make arrangements: (1) to provide for the support and protection of facilities belonging to the public utility companies, the San Francisco Water Department, the San Francisco Fire Department and other City departments; and (2) to remove or change the location of such facilities and provide access to such facilities for the purpose of constructing, reconstructing, maintaining, operating, or repairing such facilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Board of Supervisors would reserve the right to charge USF a permit or rental fee for the encroachment on public property.

USF would be responsible for procuring the necessary permits and for paying the necessary permit and inspection fees before starting work and would assume all costs for maintenance and repair of the encroachments at no cost or obligation to the City. No structure would be erected or constructed on said area except as specifically permitted.

Comments:

1. According to Mr. Nick Elsner of DPW, USF has executed a street encroachment agreement and has certified that they possess the necessary insurance for the encroachment. The DPW reports that the DPW held a public hearing on June 9, 1989 on the proposed encroachment and no objections were made to the project. The DPW also reports that the Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) has approved the requested encroachment.

2. The City Planning Department, by letter dated July 5, 1989, has declared that the proposed encroachments are in conformance with the Master Plan and are consistent with the eight priority policies of the City Planning Code Section 101.1.

3. According to Mr. Elsner, USF has paid a permit processing fee of \$800. Mr. Elsner indicates that the amount of the inspection fee and other fees will be determined based on USF's construction cost estimates, which have not yet been prepared.

4. As noted earlier, the Board of Supervisors would reserve the right to charge USF a permit or rental fee for the encroachment on public property. According to Mr. John Roddy of the City Attorney's Office, the City Attorney, the DPW and the Real Estate Department are currently assessing the feasibility of charging rent for encroachments on public property. Once the feasibility of the rent has been established, the policy for charging such rent and the mechanism for implementing the policy would require Board of Supervisors approval before any rent for encroachment could be charged.

Recommendation: Approve the proposed resolution.

Item 6 - File 10-89-12

Department: Department of Public Works (DPW)

Item: Resolution granting revocable permission to Kaiser Foundation Hospital (Kaiser) to encroach upon City property to install caissons (pilings) to meet seismic safety requirements under the north sidewalk of O'Farrell Street between St. Joseph's Avenue and Lyon Street fronting Assessor's Block 1095, Lot 5, and adopting findings pursuant to City Planning Code Section 101.1.

Description: The proposed resolution would grant permission to Kaiser to encroach upon City property to install caissons to meet seismic safety requirements under the north sidewalk of O'Farrell Street between St. Joseph's Avenue and Lyon Street fronting Assessor's Block 1095, Lot 5. The Board of Supervisors may revoke the permission at will. In addition, permission would automatically be terminated if Kaiser failed to continue insurance protection for the encroachments. The proposed resolution would also adopt City Planning Department findings that the Kaiser project is consistent with the eight priority policies of Planning Code Section 101.1.

The permission would not become effective until Kaiser had executed a street encroachment agreement and the Controller had reviewed Kaiser's insurance policy for the encroachment and had approved Kaiser's compliance with the insurance policy.

Kaiser, at its sole expense, and as is necessary as a result of this permit, shall make arrangements: (1) to provide for the support and protection of facilities belonging to the public utility companies, the San Francisco Water Department, the San Francisco Fire Department and other City departments; and (2) to remove or change the location of such facilities and provide access to such facilities for the purpose of constructing, reconstructing, maintaining, operating, or repairing such facilities.

The Board of Supervisors would reserve the right to charge Kaiser a permit or rental fee for the encroachment on public property.

Kaiser would be responsible for procuring the necessary permits and for paying the necessary permit and inspection fees before starting work, and would assume all costs for

BOARD OF SUPERVISORS
BUDGET ANALYST

maintenance and repair of the encroachments at no cost or obligation to the City.

Comments:

1. According to Mr. Nick Elsner of DPW, Kaiser has executed a street encroachment agreement and has certified that they possess the necessary insurance for the encroachment. DPW also reports that the Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT) has approved the requested encroachment.

2. DPW held a public hearing on September 15, 1989 on the proposed encroachment and reported that there was no public opposition to the proposed project. However, Mr. Nick Elsner of DPW reports that DPW is opposed to granting revocable permission for the proposed project because, from a practical standpoint, the decision to approve the project is not revocable, i.e., the caissons, once installed, would be very difficult to remove. The DPW hearing officer for the proposed project recommended that the matter be referred to the Board of Supervisors without recommendation.

3. The City Planning Department, by letter dated September 25, 1989, has declared that the proposed encroachments are in conformance with the Master Plan and are consistent with the eight priority policies of the City Planning Code Section 101.1.

4. According to Mr. Elsner, Kaiser has paid a permit processing fee of \$800. Mr. Elsner indicates that the amount of the inspection fee and other fees will be determined based on Kaiser's construction cost estimates, which have not yet been prepared.

5. As noted earlier, the Board of Supervisors would reserve the right to charge Kaiser a permit or rental fee for the encroachment on public property. According to Mr. John Roddy of the City Attorney's Office, the City Attorney, the DPW and the Real Estate Department are currently assessing the feasibility of charging rent for encroachments on public property. Once the feasibility of the rent has been established, the policy for charging such rent and the mechanism for implementing the policy would require Board of Supervisors approval before any rent for encroachment could be charged.

BOARD OF SUPERVISORS
BUDGET ANALYST

6. DPW advises that it would have no objection to the proposed project were the City paid an ongoing rental fee for the encroachment, as discussed in the above paragraph.

Recommendation: Approval of a revocable encroachment for a project entailing a high degree of permanence is a policy matter for the Board of Supervisors. As previously noted, DPW does not support this proposed resolution.

Item 7 - File 10-89-13

Department: Department of Public Works (DPW)

Item: Resolution granting revocable permission to California Jones Company to encroach upon City property to install underground telecommunication conduits to connect two buildings and adopting findings pursuant to City Planning Code Section 101.1.

Description: The proposed legislation would permit California Jones Company, owners of a building at 101 Montgomery Street, to install four 4-inch diameter underground telecommunication conduits across Trinity Street between Bush and Sutter Streets to connect the 101 Montgomery building to a building located at 333 Bush Street. These conduits would be used for telephone and data communication between the two buildings by the tenant, Charles Schwab & Co., Inc., which occupies both buildings.

The proposed legislation stipulates that California Jones Company would be responsible for procuring the necessary permits and for paying the necessary permit and inspection fees before starting work and would assume all costs for maintenance and repair of the encroachments at no cost or obligation to the City. In addition, the legislation provides that California Jones Company, at its own expense and as necessary, as a result of this permit, shall make arrangements: (1) to provide for the support and protection of facilities belonging to the public utility companies, and the San Francisco Water Department, the San Francisco Fire Department and other City departments; and (2) to remove or change the location of such facilities and provide access to such facilities for the purpose of constructing, reconstructing, maintaining, operating, or repairing such facilities.

The Board of Supervisors would reserve the right to charge California Jones Company a permit or rental fee for permission to encroach on public property.

Comments: 1. The Department of City Planning has determined that the installation of the underground telecommunications conduits is in conformity with the Master Plan and is consistent with the Eight Priority Policies of Planning Code Section 101.1. The DPW had a public hearing on March 18, 1988 on the proposed installations and no objections were made to the project. The DPW reports that the Interdepartmental Staff Committee on Traffic and

BOARD OF SUPERVISORS
BUDGET ANALYST

Transportation (ISCOTT) has approved the requested encroachment.

2. California Jones Company has paid a permit processing fee of \$800, for an encroachment permit from the DPW's Bureau of Building Inspection.

3. According to Ms. Kathy Hom of DPW, California Jones Company has executed a street encroachment agreement and has certified that they possess the necessary insurance for the encroachment.

4. As noted earlier, the Board of Supervisors would reserve the right to charge California Jones Company a permit or rental fee for the encroachment on public property. According to Mr. John Roddy of the City Attorney's Office, the City Attorney, the DPW and the Real Estate Department are currently assessing the feasibility of charging rent for encroachments on public property. Once the feasibility of the rent has been established, the policy for charging such rent and the mechanism for implementing the policy would require Board of Supervisors approval before any rent for encroachment could be charged.

Recommendation: Approve the proposed resolution.

Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

Item 8 - File 64-89-35

Department: Real Estate Department
Municipal Railway

Item: Resolution authorizing a lease of property for the
Municipal Railway

Location: Southeast corner of Bryant Street and Division Street

Purpose of Lease: Storage of trolley poles

Lessor: CalTrans

**Number of Sq. Ft.
and Cost/Month:** Approximately 18,700 square feet @ \$.031/sq. ft./month =
\$575/month

Annual Cost: \$6,900

**% Increase over
1987-88:** 15%. MUNI is presently paying \$6,000 annually for a
month-to-month lease at the current location.

**Utilities and Janitor
Provided by Lessor:** No, all utilities to be supplied by City.

Term of Lease: Two-year lease from August 1, 1989 to July 31, 1991
unless funds for rental payment are not appropriated in
any fiscal year at which time City may terminate the
lease with ninety days prior written notice to lessor.

Source of Funds: 1989-1990 budget

Comments: 1. Mr. Carlos Jacobo of the PUC notes that although the
lease started on August 1, 1989, MUNI is currently
paying \$500/month for the present location, pending
approval of the proposed resolution. If the resolution is
approved, MUNI will make retroactive payments of the
\$75 monthly difference in increased rental costs to
CalTrans back to August 1, 1989.

2. The lease site was originally secured on a month-to-
month basis and has proved valuable as a storage site for
MUNI trolley poles. To continue to have access to the
lease site, CalTrans required an annual lease and
awarded the site to MUNI at a public lease auction in
June, 1989. The lease price of \$575/month was the
minimum bid.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

3. According to Mr. John Paniori of the Real Estate Department, the lease price represents the fair market value of the property.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

Item 9 - File 64-89-36

Department: Juvenile Probation Department
Real Estate Department

Item: Resolution authorizing the lease of real property.

Location: 25 14th Street, portion of the ground floor

Purpose of Lease: Youth Service Center for the San Francisco Juvenile Probation Department. The site would be utilized to conduct two separate activities:

1. A Reception Area for self referrals of youth as well as those youth referred by families, schools and police.
2. A Probation Supervision Program which would provide closer family, community and school contact for youth already on probation in the Mission, Potrero and Southern Police Station Neighborhoods.

Lessor: Youth for Service

Number of Sq. Ft. and Cost/Month: 2,677 sq. ft. @ \$0.498/sq. ft./mo. = \$1,333.50 monthly.

Annual Cost: \$16,002 (\$8,001 for six months of Fiscal Year 1989-90) base rent, with no annual price escalations. The City would also be responsible for gas reimbursement to lessor for heat, which for the period January 1, 1990 through June 30, 1990 would be \$37.00 monthly, and thereafter increase at an annual rate of approximately 5.4 percent (\$39 per month beginning July 1, 1990)

% Increase Over 1988-89: New lease

Utilities and Janitor Provided by Lessor: City pays for gas only

Term of Lease: Commencing on January 1, 1990, or date that alterations to be performed by lessor are completed and accepted by the Director of Property, whichever occurs later, and ending on June 30, 1990. The City would have the right to renew for six subsequent one-year periods, the first of which would commence July 1, 1990.

Right of Renewal: Annually for six one-year periods, commencing July 1, 1990.

BOARD OF SUPERVISORS
BUDGET ANALYST


Memo to Governmental Operations Committee
October 30, 1989 Governmental Operations Committee Meeting

Source of Funds: General Fund, in the FY 1989-90 Juvenile Probation Department budget.

Comments:

1. Youth for Service, a non-profit corporation, at its sole cost and expense, would complete certain alterations required by the City at an estimated cost of \$75,000. However, the lease would be subject to Youth for Service obtaining a Mayor's Office of Community Development (MOCD) grant for the entire cost of alterations.
2. According to Mr. Byron Bray, Senior Supervising Probation Officer, Juvenile Probation Department, MOCD requires that Youth for Service, the lessor, have a signed lease agreement stating the intended use of the proposed site prior to the award of grant funds to perform the requested alterations.
3. The City would hold the lessor harmless from claims or liability for any injury or damage to any person or property occurring in or about the leased premises resulting from the negligence of the City, its agents, or employees.
4. Mr Philip Aissen of the Real Estate Department certifies that the proposed rental rate is at current fair market value.

Recommendation: Approve the proposed resolution.


for Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
S90.32
2
10/30/89

Actions Taken

CALENDAR
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, OCTOBER 30, 1989 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

CLERK: GAIL JOHNSON

DOCUMENTS DEPT.

NOV 2 8 1989

SAN FRANCISCO
PUBLIC LIBRARY

1. File 97-89-45. [Contracts, \$50,000 - \$10 million] Ordinance amending Administrative Code by adding Sections 6.29-1, 6.29-2, 21.11-1 and 21.11-2 raising from \$50,000 to \$10 million the dollar amount specified in Paragraph 3 of Charter Section 7.200 for the award of public works and purchasing contracts; requiring that public works and purchasing contracts in excess of \$50,000 and not exceeding \$10 million be awarded in accordance with the procedures of the Administrative Code, including Chapter 12D. (Supervisor Kennedy)
(Continued from 10/23/89)

ACTION: Continued to November 13, 1989 meeting.

Note: It is the intention of the Chair to entertain a motion to Continue File 12-89-31 to the Call of the Chair.

2. File 12-89-31. [State Legislation] Resolution supporting Assembly Bill 350, which requires employers of five or more employees to offer basic health insurance to their employees. (Supervisor Britt)
(Continued from 8/28/89)

ACTION: Tabled (at request of sponsor).

Note: It is the intention of the Chair to entertain a motion to Continue File 97-89-20 to the November 13, 1989 meeting.

3. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and County prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 10/10/89)

ACTION: Continued to November 13, 1989 meeting.

4. File 4-89-22. [Telephone Pioneer Month] DRAFT resolution supporting November 1 - 30, 1989, as Telephone Pioneer Month. (Supervisor Maher)

ACTION: Resolution in proper form, as presented in Committee, adopted. Recommended. New title: "Declaring November 1 - 30, 1989 as Telephone Pioneer Month."

5. File 10-89-9. [Permit] Resolution granting revocable permission to the University of San Francisco to install underground vaults and conduit for telecommunications system across the 2100 Block of Fulton Street east of Parker Avenue, across Parker Avenue north of McAllister Street, and on Temescal Terrace from the south line of Turk Street; and adopting findings pursuant to City Planning Code Section 101.1. (Department of Public Works)

ACTION: Recommended.

6. File 10-89-12. [Permit] Resolution granting revocable permission to Kaiser Foundation Hospital to install caissons to meet seismic safety requirements under the north sidewalk of O'Farrell Street between St. Joseph's Avenue and Lyon Street fronting Assessor's Block 1095, Lot 5; and adopting findings pursuant to City Planning Code Section 101.1. (Department of Public Works)

ACTION: Amended on page 2, line 6, by adding Further Resolved clause as follows:
"FURTHER RESOLVED, That the permittee is being granted this extraordinary encroachment due to the vital nature of the services permittee provides to San Francisco and its residents and visitors. These services are critically needed during emergencies, and the permittee is a necessary part of the City's emergency response system. This permit will allow permittee to improve the structural stability of the facilities and better enable permittee to perform essential services during times of emergency. Permittee shall agree that should permittee terminate use of these facilities for essential medical care services or transfer ownership of these facilities, then permittee will so notify the City and County of San Francisco immediately." Recommended as amended.

7. File 10-89-13. [Permit] Resolution granting revocable permission to California Jones Company to install four 4-inch diameter underground telecommunication conduits across Trinity Street between Bush and Sutter Streets to connect 101 Montgomery Street Building and 333 Bush Street Building; and adopting findings pursuant to City Planning Code Section 101.1. (Department of Public Works)

ACTION: Recommended.

8. File 64-89-35. [Lease of Real Property] Resolution authorizing lease of vacant land from the State of California for use by the San Francisco Municipal Railway. (Real Estate Department)

ACTION: Recommended.

9. File 64-89-36. [Lease of Real Property] Resolution authorizing lease of real property at 25 - 14th Street for a youth service center for the San Francisco Juvenile Probation Department. (Real Estate Department)

ACTION: Recommended.

